



Certified Public Accountants, A.C.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

www.perrycpas.com

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Trustees
Indian Lake EMS Joint Ambulance
301 N. Oak Street P.O. Box 6
Lakeview, Ohio 43331

We have reviewed the *Independent Auditor's Report* of the Indian Lake EMS Joint Ambulance, Logan County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. 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 Indian Lake EMS Joint Ambulance is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 26, 2021

This page intentionally left blank.

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

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statement of Receipts, Disbursements, and Change in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2019	4
Notes to the Financial Statements For the Year Ended December 31, 2019	5
Statement of Receipts, Disbursements, and Change in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2018	11
Notes to the Financial Statements For the Year Ended December 31, 2018	12
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	18
Schedule of Audit Findings	20
Schedule of Prior Audit Findings.....	24

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

February 11, 2021

Indian Lake EMS Joint Ambulance District
Logan County
301 North Oak Street
P.O. Box 6
Lakeview, Ohio 43331

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 **Indian Lake EMS Joint Ambulance District**, Logan County, Ohio (the District) as of and for the years ended December 31, 2019 and 2018.

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 such 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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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 2 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.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are 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, 2019 and 2018, and the respective 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, receipts and disbursements by fund type, and related notes of the Indian Lake EMS Joint Ambulance District, Logan County, as of December 31, 2019 and 2018, and 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 2.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. 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 February 11, 2021, 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 and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN FUND BALANCE (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$ 1,248,304	\$ -	\$ 1,248,304
Charges for Services	335,896	-	335,896
Intergovernmental	30,136	-	30,136
Earnings on Investments	3,967	3,594	7,561
Miscellaneous	28,301	-	28,301
	<u>1,646,604</u>	<u>3,594</u>	<u>1,650,198</u>
Total Cash Receipts			
Cash Disbursements:			
Current Disbursements:			
General Government	152,245	-	152,245
Public Safety	1,194,951	-	1,194,951
Capital Outlay	-	1,061,676	1,061,676
Debt Service			
Principal Retirement	-	277,874	277,874
Interest and Fiscal Charges	-	47,018	47,018
	<u>1,347,196</u>	<u>1,386,568</u>	<u>2,733,764</u>
Total Cash Disbursements			
Excess of Receipts Over (Under) Disbursements	<u>299,408</u>	<u>(1,382,974)</u>	<u>(1,083,566)</u>
Other Financing Receipts (Disbursements)			
Transfers In	-	413,080	413,080
Transfers Out	(413,080)	-	(413,080)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(413,080)</u>	<u>413,080</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>(113,672)</u>	<u>(969,894)</u>	<u>(1,083,566)</u>
Fund Cash Balance, January 1 (Restated, Note 12)	<u>\$ 712,977</u>	<u>\$ 1,002,852</u>	<u>\$ 1,715,829</u>
Fund Cash Balance, December 31			
Restricted	-	32,958	32,958
Assigned	8,173	-	8,173
Unassigned (Deficit)	591,132	-	591,132
	<u>\$ 599,305</u>	<u>\$ 32,958</u>	<u>\$ 632,263</u>
<i>Fund Cash Balance, December 31</i>			

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 YEAR ENDED DECEMBER 31, 2019**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of 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 and by contract to areas outside the District.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all government fund types which is organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following capital project fund:

Miscellaneous Capital Projects Fund The miscellaneous capital projects fund is used to account for and report the activity surrounding a lease-purchase agreement for building upgrades.

Basis of Accounting

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 Board 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.

Budgetary Process

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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. The County Budget Commission must approve estimated resources.

Encumbrances

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

A summary of 2019 budgetary activity appears in Note 3.

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.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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:

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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.

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.

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,531,500	\$ 1,646,604	\$ 115,104
Capital Projects	492,502	416,674	(75,828)
Total	\$ 2,024,002	\$ 2,063,278	\$ 39,276

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,795,076	\$ 1,768,448	\$ 26,628
Capital Projects	1,446,502	1,386,568	59,934
Total	\$ 3,241,578	\$ 3,155,016	\$ 86,562

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

Note 4 – Deposits

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

	2019
Demand Deposits	<u>\$ 632,263</u>
Total Deposits	<u><u>\$ 632,263</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the District.

Note 5 – Property Taxes

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.

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

Note 6 – Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Note 7 – Defined Pension Benefit Plan

Ohio Public Employees Retirement System

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

Note 7 – Defined Pension Benefit Plan (Continued)

Ohio Public Employees Retirement System (Continued)

The Ohio Revised Code also prescribes contribution rates. 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, 2019.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Agreement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to healthcare for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 9 – Contingent Liabilities

Amount grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$ 823,874	4.95%
Total	\$ 823,874	

The District issued general obligation debt to finance the building of a new EMS building. Westerheide Construction has been hired to continue the construction of a new EMS building which was started in 2014 and the District ran out of funds so it was not completed. The amount financed was \$1,101,747 with an interest rate of 4.95%. This debt is to be paid back in 5 years with the final payment due on September 1, 2022.

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

Year Ending December 31:	Bank Loan
2020	\$ 313,014
2021	299,269
2022	285,635
Total	\$ 897,918

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

Note 11 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 – Prior Period Restatement

The beginning balance for the District's General Fund has been restated to account for an outstanding check that was cancelled in 2019. The prior period restatement had the following effect on the District's fund balance as previously reported as of December 31, 2018:

	General Fund
Fund Balance, December 31, 2018	\$ 712,704
Restatement Due to Cancelled Check	273
Restated Fund Balance, January 1, 2019	<u>\$ 712,977</u>

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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN FUND BALANCE (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$ 1,177,516	\$ -	\$ 1,177,516
Charges for Services	328,491	-	328,491
Intergovernmental	54,567	-	54,567
Earnings on Investments	1,315	3,341	4,656
Miscellaneous	25,150	-	25,150
	<u>1,587,039</u>	<u>3,341</u>	<u>1,590,380</u>
Total Cash Receipts			
Cash Disbursements:			
Current Disbursements:			
General Government	229,947	-	229,947
Public Safety	788,971	-	788,971
Capital Outlay	-	102,236	102,236
	<u>1,018,918</u>	<u>102,236</u>	<u>1,121,154</u>
Total Cash Disbursements			
Excess of Receipts Over (Under) Disbursements	<u>568,121</u>	<u>(98,895)</u>	<u>469,226</u>
Other Financing Receipts (Disbursements)			
Other Debt Proceeds	-	1,101,747	1,101,747
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>1,101,747</u>	<u>1,101,747</u>
<i>Net Change in Fund Cash Balances</i>	568,121	1,002,852	1,570,973
Fund Cash Balance, January 1	<u>\$ 144,583</u>	<u>\$ -</u>	<u>\$ 144,583</u>
Fund Cash Balance, December 31			
Restricted	-	1,002,852	1,002,852
Assigned	263,576	-	263,576
Unassigned (Deficit)	449,128	-	449,128
	<u>712,704</u>	<u>1,002,852</u>	<u>1,715,556</u>
<i>Fund Cash Balance, December 31</i>	<u>\$ 712,704</u>	<u>\$ 1,002,852</u>	<u>\$ 1,715,556</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 YEAR ENDED DECEMBER 31, 2018**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of 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 and by contract to areas outside the District.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all government fund types which is organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following capital project fund:

Miscellaneous Capital Projects Fund The miscellaneous capital projects fund is used to account for and report the activity surrounding a lease-purchase agreement for building upgrades.

Basis of Accounting

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 Board 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.

Budgetary Process

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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. The County Budget Commission must approve estimated resources.

Encumbrances

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

A summary of 2018 budgetary activity appears in Note 3.

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.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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:

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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.

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.

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,546,000	\$ 1,587,039	\$ 41,039
Capital Projects	1,102,318	1,105,088	2,770
Total	\$ 2,648,318	\$ 2,692,127	\$ 43,809

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,515,604	\$ 1,028,573	\$ 487,031
Capital Projects	1,102,318	102,236	1,000,082
Total	\$ 2,617,922	\$ 1,130,809	\$ 1,487,113

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Note 4 – Deposits

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

	2018
Demand Deposits	<u>\$ 1,715,556</u>
Total Deposits	<u><u>\$ 1,715,556</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the District.

Note 5 – Property Taxes

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.

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

Note 6 – Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Note 7 – Defined Pension Benefit Plan

Ohio Public Employees Retirement System

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Note 7 – Defined Pension Benefit Plan (Continued)

Ohio Public Employees Retirement System (Continued)

The Ohio Revised Code also prescribes contribution rates. 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, 2018.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Agreement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to healthcare for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 9 – Contingent Liabilities

Amount grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Debt

Debt outstanding at December 31, 2018, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$ 1,101,747	4.95%
Total	\$ 1,101,747	

The District issued general obligation debt to finance the building of a new EMS building. Westerheide Construction has been hired to continue the construction of a new EMS building which was started in 2014 and the District ran out of funds so it was not completed. The amount financed was \$1,101,747 with an interest rate of 4.95%. This debt is to be paid back in 5 years with the final payment due on September 1, 2022.

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

Year Ending December 31:	Bank Loan
2019	\$ 324,893
2020	313,014
2021	299,269
2022	285,635
Total	\$ 1,222,811

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Note 11 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and recovery from emergency funding, either federal or state, cannot be estimated.



Certified Public Accountants, A.C.

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

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

February 11, 2021

Indian Lake EMS Joint Ambulance District
Logan County
301 North Oak Street
P.O. Box 6
Lakeview, Ohio 43331

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 for each fund of the **Indian Lake EMS Joint Ambulance District**, Logan County, Ohio (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated February 11, 2021, 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. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District’s internal control over financial reporting (internal control) as a basis for designing 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.

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 certain deficiencies in internal control, described in the accompanying schedule of audit findings, that we consider material weaknesses. We consider findings 2019-001 through 2019-003 to be material weaknesses.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.



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 financial statements. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as item 2019-002.

District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject the District's responses to the auditing procedures applied in the audit of the financial statements 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 report is not suitable for any other purpose.



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

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

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2019-001

Material Weakness

Posting Receipts, Disbursements and Fund Balance

The District is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting. Fund balances should be classified based on Government Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

During 2019 and 2018, receipts, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- A state rollback receipt was incorrectly recorded as Property Tax revenue rather than Intergovernmental revenue in both 2019 and 2018.
- State grant receipts were incorrectly recorded as Miscellaneous revenue rather than Intergovernmental revenue in 2018.
- The General Fund was classified as entirely Unassigned rather than partially Assigned in both 2019 and 2018.
- Principal and interest payments were not properly classified in 2019.
- Property tax receipts were recorded at net rather than gross in 2018.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all material reclassifications.

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.

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 Clerk refer to Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Management’s Response – *“As it relates to this citation, please know we agree that a few errors were made during the audit period. We will be making every attempt to correct these mistakes so future audits will not include this citation.”*

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

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

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

FINDING NUMBER 2019-002

Material Weakness / Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting 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. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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 the 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" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance 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 taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account 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 Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional 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. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The District did not properly certify the availability of funds prior to purchase commitment for 43% of the expenditures tested for 2019 and for 64% of the expenditures tested for 2018.

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.

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

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

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

FINDING NUMBER 2019-002 (CONTINUED)

Material Weakness / Noncompliance (Continued)

To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to an obligation being incurred by the District. When prior certification is not possible, "then and now" certification should be used.

Management's Response – *"Since the last audit we have begun to use blanket purchase orders to cover some of the problems we have experienced. We have also begun to explain to employees the importance of making certain a purchase order is in place for every item they need to purchase and to make certain it is in place prior to making the purchase."*

FINDING NUMBER 2019-003

Material Weakness

Billing Service

The District contracted one service organization to provide billing services during the audit period. Robinaugh EMS was contracted to provide billing service at a fee of 10% of the ambulance run receipts beginning in March 2015. The District had not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reduce the risk of ambulance run services and billings not being completely and accurately processed in accordance with the ambulance service and billing contract.

The District should help assure the completeness and accuracy (including eligibility and allowability) of ambulance run services and billings processed by its third-party administrator. Statement of Auditing Standards for Attestation Engagement (SSAE) No. 16, as amended, prescribes standards for reporting on service organizations. An unqualified SOC 1 Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness in accordance with SSAE No. 16 should provide the District with reasonable assurance ambulance run transactions conform to the contract.

By not obtaining a SOC-1 report for Robinaugh EMS, the District does not have assurances over whether or not the service organization has proper controls in place and if they are effective.

We recommend that the District request an annual report from Robinaugh EMS under Statement of Auditing Standards on Reporting on Controls Placed in Operation and Effectiveness of a Service Organization Control covering the District's claims processing system. In the event that the service organization does not agree to have the reporting on the control report prepared, as an alternative the District should have qualified consultants, selected by the District, perform procedures to test the adequacy of the internal controls over the claims processing system.

INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-003 (CONTINUED)

Management's Response – *“We use Robinaugh billing services to collect our bills for runs made. This insures all of the runs are being billed to insurance companies and individuals who have availed themselves of our services. We are comfortable with the arrangement we have with them as they have and do bill for many such entities in the area. We have inquired as to the availability of an SOC-1 from the service and they indicate it is cost prohibitive for them to get such a document. Therefore, it seems we are at a point whereby this citation cannot be fixed until Robinaugh can get the SOC-1 or we make other arrangements for billing service runs. We respectfully request this citation be removed from future audits as it is impossible to fix and we believe Robinaugh has safeguards in place to make certain we are getting the expected service from them.”*

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Receipts and Disbursements	Not Corrected	Repeated as Finding 2019-001
2017-002	Budgetary Controls	Partially Corrected	Repeated as Finding 2019-002
2017-003	Bill Service Reconciliations	Corrected	N/A
2017-004	Billing Service	Not Corrected	Repeated as Finding 2019-003

OHIO AUDITOR OF STATE KEITH FABER



INDIAN LAKE EMERGENCY MEDICAL SERVICES JOINT AMBULANCE DISTRICT

LOGAN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 5/6/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov