



Mary Taylor, CPA  
Auditor of State



**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

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Mary Taylor, CPA  
Auditor of State

Perry Port Salem Ambulance District  
Shelby County  
P.O. Box 16  
Port Jefferson, Ohio 45360

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

March 29, 2010

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Perry Port Salem Ambulance District  
Shelby County  
P.O. Box 16  
Port Jefferson, Ohio 45360

To the Board of Trustees:

We have audited the accompanying financial statements of the Perry Port Salem Ambulance District, Shelby County, (the District) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Perry Port Salem Ambulance District, Shelby County, as of December 31, 2009 and 2008, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

March 29, 2010

**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>General</b>
<b>Cash Receipts:</b>	
Property and Other Local Taxes	\$38,574
Integovernmental	10,534
Earnings on Investments	62
Total Cash Receipts	49,170
 <b>Cash Disbursements:</b>	
<b>Current Disbursements:</b>	
Salaries & Fringe Benefits	1,823
Payments Rescue Squad	22,000
Other	1,105
<b>Debt Service:</b>	
Redemption of Principal	13,855
Interest and Other Fiscal Charges	3,390
Total Cash Disbursements	42,173
Total Receipts Over/(Under) Disbursements	6,997
Fund Cash Balance, January 1	44,969
Fund Cash Balance, December 31	\$51,966

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

**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>General</b>
<b>Cash Receipts:</b>	
Property and Other Local Taxes	\$39,030
Integovernmental	10,408
Earnings on Investments	2,165
Miscellaneous	160
Total Cash Receipts	51,763
 <b>Cash Disbursements:</b>	
<b>Current Disbursements:</b>	
Salaries & Fringe Benefits	1,925
Payments Rescue Squad	30,000
Professional services	2,039
Other	1,165
Capital Outlay	86,312
Total Cash Disbursements	121,441
Total Receipts Over/(Under) Disbursements	(69,678)
 <b>Other Financing Receipts:</b>	
Sale of Fixed Assets	10,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(59,678)
Fund Cash Balance, January 1	104,647
Fund Cash Balance, December 31	\$44,969

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

**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**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 Perry Port Salem Ambulance District, Shelby 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 Perry Township, Village of Port Jefferson, and Salem Township. The District provides emergency medical services within the District.

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

**B. Accounting Basis**

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

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

**C. Deposits and Investments**

The District maintained a checking and savings account which are valued at cost.

**D. Fund Accounting**

The District uses fund accounting and classifies its fund into the following type:

**1. General Fund**

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

**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 or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. The District did not encumber all commitments required by Ohio law.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**F. 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. DEPOSITS**

The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	<b>2009</b>	<b>2008</b>
Demand deposits	\$51,966	\$44,969

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

<b>2009 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$44,385	\$49,170	\$4,785

<b>2009 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$46,894	\$42,173	\$4,721

<b>2008 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$44,206	\$61,763	\$17,557

**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2008 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$104,647	\$121,441	(\$16,794)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$16,794 for the year ended December 31, 2008.

**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, 2009 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Loan Agreement for Ambulance	\$31,145	8.32%

The Loan agreement is related to the purchase of an ambulance during 2008. The loan is to be repaid in semi-annual installments of \$8,623, including interest, over 3 years, with payments beginning in May of 2009. The debt was issued by the Perry, Port and Salem Ambulance Service, Inc. (the Squad); however, the District has made all payments on the loan.

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

<b>Year ending December 31:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$14,929	\$2,316	\$17,245
2011	16,216	1,030	17,246
Total	\$31,145	\$3,346	\$34,491

**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. RETIREMENT SYSTEMS**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2009 and 2008, OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent, of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained a fidelity bond for the Fiscal Officer's position.



# Mary Taylor, CPA

Auditor of State

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

Perry Port Salem Ambulance District  
Shelby County  
P.O. Box 16  
Port Jefferson, Ohio 45360

To the Board of Trustees:

We have audited the financial statements of the Perry Port Salem Ambulance District, Shelby County, (the District) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 29, 2010, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2009-001, 2009-004, and 2009-005 described in the accompanying schedule of findings to be material weaknesses.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-001 through 2009-004.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 29, 2010.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

March 29, 2010

**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2009 AND 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2009-001**

**Noncompliance/Material Weakness – Ambulance Purchase and Loan**

**Ohio Rev. Code Section 505.71** states, in part, that a joint ambulance district may purchase, lease, maintain, and use all materials, equipment, vehicles, buildings, and land necessary to perform its duties.

The Perry Port Salem Ambulance District (the "District") entered into an Emergency Services Agreement with the Perry, Port and Salem Ambulance Service, Inc. (the "Squad"), in November, 2008. A First Amendment to the Emergency Services Agreement, dated November, 2008 defined the requirements for the purchase of a 2008 ambulance for a total cost of \$131,312.

According to Section 11 B of the Amendment, the District was to contribute and pay in cash, the sum of \$86,312 toward the purchase of the 2008 ambulance directly to the manufacturer on behalf of the Squad. The Amendment further stated that the Squad arranged for the financing to obtain the funds necessary to pay the manufacturer the remaining balance of \$45,000. The agreement stated that a notation of the security interest of the District shall be placed upon the title to the 2008 ambulance.

Pursuant to the Amendment, the District issued payment to the manufacturer, in the amount of \$86,312 during 2008. The Squad purchased the ambulance and obtained a loan for the remaining \$45,000. The District assumed the responsibility for the loan and has made the semi-annual loan payments which started in 2009. As of December 31, 2009, the District had made payments totaling \$13,855 in principal, and \$3,390 in interest for the ambulance loan that was borrowed in the name of the Squad, in addition to the \$86,312 down payment. The title to the 2008 ambulance was inspected, and the Squad was listed on the title as owner of the ambulance, although the District has made all payments for it.

Although the statutory requirements allow the District to purchase vehicles, there was no provision that allowed the District to make payments on, or pay for a loan for which the title of the ambulance and loan are not in the District's name. These payments on the ambulance by the District are not considered legal expenditures.

The District should consult their legal counsel and review the Agreement and Amendment, the original loan, and the vehicle title, in order to place the title of the ambulance and the loan in the District's name.

**FINDING NUMBER 2009-002**

**Noncompliance – Expenditures Exceeded Appropriations**

**Ohio Rev. Code Section 5705.41 (B)** states that no subdivision or taxing unit is to expend money unless it has been appropriated. The following instance was noted where actual expenditures exceeded appropriations at the legal level of control:

<u>2008</u>	<u>Actual Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	<u>\$121,441</u>	<u>\$104,647</u>	<u>\$16,794</u>

Spending in excess of actual resources could result in a deficit fund balance. Budgetary information should be reviewed as frequently as necessary to identify those instances when expenditures may exceed appropriations. Expenditures should be suspended at the legal level and/or modifications should be approved by the Board to help prevent noncompliance and possible deficit spending.

### FINDING NUMBER 2009-003

#### Noncompliance – Prior Certification for Obligations Was Not Obtained

**Ohio Rev. Code Section 5705.41(D)** states that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of any appropriate fund free from any previous encumbrances. Every such 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.

- a. **"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 District can authorize the drawing of a warrant for the payment of the amount due. The District 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 District.

- b. **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.
- c. **Super blanket certificate** – The District may also make expenditures and contract 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. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

The District did not certify the availability of funds proper to purchase commitment for 100 percent of its expenditures in 2008 and 60 percent of its expenditures in 2009 and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

**FINDING NUMBER 2009-003  
(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 help reduce the possibility of the District's funds exceeding budgetary spending limitations, the District should certify that the funds are or will be available prior to the obligation by the District. When prior certification is not possible, "then and now" certification should be used.

**FINDING NUMBER 2009-004**

**Noncompliance/Material Weakness – Accounting Records**

**Ohio Admin. Code Section 117-2-02(D)** states that all local public offices may maintain accounting records in a manual or computerized format. The records should be based on the nature of operations and services the public office provides. Such records should include the following:

- 1) Cash journal, which typically contains the following information: The amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- 2) Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.
- 3) Appropriation ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, uncommitted balance of appropriations and any other information required may be entered in the appropriate columns.

Although the District prepared manual accounting records which included the above, the balance in the cash journal did not reconcile to the actual cash balance. The amounts in the receipts and appropriation ledgers did not agree with the cash journal or with the actual receipts and disbursements presented in the annual financial report. The annual financial reports prepared were not based on the detailed accounting records, and the amounts disclosed by line item did not foot to the totals presented. The following was determined for the years 2009 and 2008:

- The 2009 General fund beginning balance was \$31 lower than the prior year ending balance;
- The 2008 General fund beginning balance was \$308 higher than the prior year audited ending balance;
- During 2009 and 2008, the receipts from the tax levy settlements, in the amounts of \$38,574 and \$39,030, respectively; were incorrectly posted as intergovernmental revenue instead of tax revenue;

During 2009 and 2008 receipts from various intergovernmental sources (homestead and rollback, gas/electric settlements, personal property tax reimbursements) were understated in the amount of \$2,435 and \$1,814, respectively;

**FINDING NUMBER 2009-004  
(Continued)**

- The 2008 receipt from sale of an ambulance, in the amount of \$10,000, was incorrectly posted as other revenue instead of sale of fixed assets;
- The 2008 expenditures for professional services (audit fees) in the amount of \$2,039 were not included in the annual financial report;
- The 2008 and 2009 salaries and fringe benefit expenses were understated, in the amounts of \$411 and \$429, respectively;
- The 2008 and 2009 fees incurred for auditor/treasurer fees and administrative fees were understated, in the amounts of \$88 and \$561, respectively.

The failure to properly record receipts and expenditures results in a material misstatement of the reported revenue and expenditure line items. The accompanying financial statements have been adjusted to correctly present the District's revenue and expenditure activity for 2009 and 2008.

The District should review a sample alphanumeric chart of accounts (such as the one provided to townships), and record revenue and expenditure activity to the account code which best represents the transaction. The amounts recorded in the accounting records should support the totals reported on the annual financial report. The Chart of Accounts may be found on the Auditor of State website [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

**FINDING NUMBER 2009-005**

**Material Weakness - Monthly Bank Reconciliations**

The monthly bank statements were being signed by the Trustees as being reviewed; however, there was no evidence that the Fiscal Officer had performed a reconciliation between the bank statement and the book balance for any month during the years 2009 or 2008. The year-end book balances reported were not reconciled and included errors for both fiscal years ending 2009 and 2008.

The monthly bank reconciliation is a basic control to verify the accuracy of the District's recording of receipts and expenditures. The failure to perform monthly bank reconciliations increases the possibility that posting errors or funds being diverted, lost, or stolen could occur and not be promptly detected.

In order to help ensure the financial activity of the Township is properly accounted for and reported, we recommend the fiscal officer perform monthly bank reconciliations and maintain supporting documentation for reconciling items. Trustees should review items such as invoices, detailed revenue and disbursement ledgers, and fund balance reports on a frequent basis. These reviews should be documented by initialing and approval in the minutes.

**Officials' Response:**

Officials did not respond to these findings.

**PERRY PORT SALEM AMBULANCE DISTRICT  
SHELBY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Ohio Rev. Code Section 5705.41(D) Purchases were not certified prior to incurring an obligation.	No	Repeated as Finding 2009-003





**Mary Taylor, CPA**  
Auditor of State

**PERRY PORT SALEM AMBULANCE DISTRICT**

**SHELBY 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  
MAY 13, 2010**