



Dave Yost • Auditor of State

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

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Dave Yost • Auditor of State

Tri-Village Joint Ambulance District
Darke County
PO Box 247
New Madison, Ohio 45346

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.

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Dave Yost
Auditor of State

July 9, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Tri-Village Joint Ambulance District
Darke County
PO Box 247
New Madison, Ohio 45346

To the Board of Trustees:

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

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

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

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

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

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

As described in Note 7, the District restated the beginning balance in the General fund to adjust cash balances in 2010 to agree to prior year audited amounts and to record unrecorded interest.

As described in Note 1, during 2011 the Tri Village Joint Ambulance District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

July 9, 2012

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

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

	<u>General</u>
Cash Receipts:	
Tax Revenue	\$129,004
Intergovernmental	19,450
Rent	6,420
Earnings on Investments	1,156
Total Cash Receipts	<u>156,030</u>
Cash Disbursements:	
Contractual Services	130,598
Salaries	43,350
Fringe Benefits	14,153
Equipment	13,600
Other	9,271
Total Cash Disbursements	<u>210,972</u>
Excess Receipts Over (Under) Disbursements	<u>(54,942)</u>
Fund Cash Balances, January 1	<u>140,231</u>
Fund Cash Balance, December 31:	
Unassigned (Deficit)	85,289
Fund Cash Balance, December 31	<u><u>\$85,289</u></u>

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

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

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

	General
Cash Receipts:	
Tax Revenue	\$128,398
Intergovernmental	44,747
Rent	7,170
Earnings on Investments	802
Miscellaneous	6,443
Total Cash Receipts	187,560
 Cash Disbursements:	
Contractual Services	82,680
Salaries	43,274
Fringe Benefits	14,474
Materials and Supplies	26,000
Other	11,538
Total Cash Disbursements	177,966
 Excess Receipts Over (Under) Disbursements	 9,594
 Other Financing Receipts (Disbursements):	
Other Financing Sources	82,082
Total Other Financing Receipts (Disbursements)	82,082
 Net Change in Fund Cash Balance	 91,676
 Fund Cash Balances, January 1 (Restated)	 48,555
 Fund Cash Balance, December 31	 \$140,231

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

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Tri-Village Joint Ambulance District, Darke County, (the District) as a body corporate and politic. An eight-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are the Townships of Butler, Liberty, Neave, and Harrison and the Village of New Madison, Palestine, Hollansburg, and Wayne Lakes. The District provides rescue services within the District and by contract to areas outside the District.

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

B. Accounting Basis

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

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

C. Deposits 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 values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

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

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 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.

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(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. 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 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Non-spendable

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

2. Restricted

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

3. Committed

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

4. Assigned

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

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 AND INVESTMENTS

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

	2011	2010
Demand deposits	\$41,548	\$ 77,021
Certificates of deposit	43,741	63,210
Total deposits	\$85,289	\$140,231

Deposits: Deposits are insured by the Federal Depository Insurance Corporation

3. BUDGETARY ACTIVITY

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

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$150,000	\$156,030	\$6,030
Total	\$150,000	\$156,030	\$6,030

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$290,272	\$210,972	\$79,300
Total	\$290,272	\$210,972	\$79,300

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$232,082	\$269,642	\$37,560
Total	\$232,082	\$269,642	\$37,560

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$279,986	\$177,966	\$102,020
Total	\$279,986	\$177,966	\$102,020

Contrary to Ohio law, the District did not utilize purchase orders for 100% of transactions during 2010.

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.

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

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

5. RETIREMENT SYSTEMS

The District's Employees belong to the Ohio Public Employees Retirement System (OPERS).

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

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Errors and omissions.

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

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

7. RESTATEMENT OF FUND BALANCES

The ending fund balance at December 31, 2009 was required to be adjusted due to Certificate of Deposit values and interest not being accurately recorded by the District. The adjustment required affected the General fund as follows:

	<u>General Fund</u>
Fund Balance as of December 31, 2009	\$47,340
Restatement	1,215
Restated Fund Balance as of December 31, 2009	<u><u>\$48,555</u></u>

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Dave Yost • Auditor of State

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

Tri-Village Joint Ambulance District
Darke County
PO Box 247
New Madison, Ohio 45346

To the Board of Trustees:

We have audited the financial statements of Tri-Village Joint Ambulance District, Darke County, (the District) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated July 9, 2012 wherein we noted the District adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. We also noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. As described in Note 7, the District restated the beginning balance in the General fund at January 1, 2010 to accurately present cash. 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 a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of 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 finding 2011-004 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 2011-001 through 2011-003.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated July 9, 2012.

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

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Dave Yost
Auditor of State

July 9, 2012

**TRI VILLAGE AMBULANCE DISTRICT
DARKE COUNTY**

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

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

Filing of Annual Financial Report, Noncompliance

Ohio Rev. Code Section 117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. GAAP-basis entities must file annual reports within 150 days. These reports must be filed on forms prescribed by the Auditor of State. However, if the Auditor of State has not prescribed a form for the report, the public office shall submit its report on the form utilized by the public office. Any public office not filing the report by the required date shall pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. Additionally, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

The District did not file its cash-basis Annual Report with the Auditor of State for 2010.

The District should file its Annual Report and publish a notice within the stated time period.

Official's Response:

Officials did not respond to this finding.

FINDING NUMBER 2011-002

Contractual Services, Finding for Recovery – Repaid Under Audit

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose** states that the Auditor of State's Office will only question expenditures where the legislative of a public purpose is manifestly arbitrary and incorrect.

Tri-Village Joint Ambulance District has a contract dated January 15, 2011 with Tri-Village Rescue Services to provide rescue services. The contract was approved for \$100,000; however, Tri-Village Joint Ambulance District paid Tri-Village Rescue Services \$110,000 in 2011 for this contract. An amendment was not approved by the Tri Village Joint Ambulance District board to the original contract resulting in an overpaying to the Rescue of \$10,000. There was no indication that the board approved this overpayment. Further, there was no documentation to support that the overpayment was for an otherwise proper public purpose.

Additionally, Tri-Village Joint Ambulance District also paid Tri-Village Rescue Services \$20,598 during 2011 which was above the contract amount for the year. Upon maturity of the District's Certificate of Deposit in 2011, the District directly deposited \$20,598 into the Tri Village Rescue Services bank account in order to provide additional operating funds to the agency. This amount was not approved as part of the contract between the District and the Rescue Services and resulted in an additional overpayment of \$20,598. There was no indication that the bard approved this additional payment. Request for amendments to the contract with Tri Village Rescue Services should be approved by the Tri Village Ambulance District Board through signed contracts and approval in the minutes of the District.

FINDING NUMBER 2011-002
(Continued)

In accordance with the foregoing facts, and pursuant to **Ohio Revised Code Section 117.28**, a Finding for Recovery for public money illegally expended is hereby issued against Tri-Village Rescue Services in the amount of \$30,598, and in favor of the Tri-Village Joint Ambulance District's General Fund.

Upon notification of the error by the Auditor of State's office, the District notified Tri-Village Rescue Services of the overpayment on the 2011 annual contract that was entered into on January 15, 2011. At the June 21, 2012 meeting, Tri Village Ambulance District approved to and did subtract the \$30,598 overpayment from the 2012 second half contract payment that was due in June 2012 for \$50,000. On June 23, 2012, Tri Village Ambulance wrote Check # 1693 in the amount of \$19,402 (\$50,000 second half of 2012 contract minus \$30,598 pervious overpayment).

Official's Response:

Officials did not respond to this finding.

FINDING NUMBER 2011-003

Use of Purchase Orders, Noncompliance

Ohio Rev. Code Section 5705.41(D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the 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 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 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.

2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates not exceeding an amount established by resolution or ordinance adopted by the legislative authority, against any specific line item account over a period not running beyond the current 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.

**FINDING NUMBER 2011-003
(Continued)**

3. **Super Blanket certificate** – The District 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. More than 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 100% of 2010 disbursements, and the aforementioned exceptions were not properly utilized. The failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

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 fund exceeding budgetary spending limitations, we recommend that the District's Fiscal Officer 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.

The District should certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Official's Response:

Officials did not respond to this finding.

FINDING NUMBER 2011-004

Cash Reconciliation and Financial Statement Presentation, Material Weakness

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, and document compliance with finance-related legal and contractual requirements and prepare financial statements. District personnel did not assure that the amounts reported on the annual financial reports were complete or accurate and that the ending balance agreed with the amounts reported on their accounting system's general ledger. As a result, 2011 receipts were understated by \$11,825 (8%), disbursements were understated by \$15,567 (7%), and beginning fund balance was understated by \$59,426 (70%). In 2010, receipts were understated by \$7,354 (4%), disbursements were understated by \$4,160 (2%), and beginning fund balances were understated by \$4,409 (3%).

The absence of a process to provide that financial statements are complete and accurate and amounts agree with reports generated from the District's accounting system could lead to inaccurate financial reporting. The District was not performing a cash reconciliation of all fund balances on a monthly basis. During 2010 and 2011 the District prepared only a reconciliation on the checking account from bank to book balance. As a result, errors in the amount of certificate of deposit balances and corresponding interest recorded have continued to occur over several years, resulting in un-reconciled variances increasing each year.

FINDING NUMBER 2011-004
(Continued)

The District failed to accurately post interest during 2010 or 2011 upon maturity of the certificate of deposit. It was also noted that the interest was not posted during 2009 for the Certificate of Deposit. As a result, the beginning fund balance at January 1, 2010 was restated by \$1,215. The accompanying financial statements include the required adjustments to properly present the District's financial activity for 2011 and 2010 and the client also made the adjustments to their ledgers too.

District personnel should institute a process for completing annual financial reports which provide that all amounts are properly posted, which can be done in part by reconciling the ending balance on the annual reports with the ending balance from the accounting system. The monthly reconciliations should included reconciling all fund balances to the bank balances, not just the checking account.

Official's Response:

Officials did not respond to this finding.

**TRI-VILLAGE JOINT AMBULANCE DISTRICT
DARKE COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	System reconciliations and Financial Statement Presentation	No	Not Corrected – see 2011-004
2009-002	Real Property and Manufactured Home Rollback – Finding for Recovery	Yes	Repaid under audit
2009-003	Rent – Finding for Recovery	Yes	Repaid under audit

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Dave Yost • Auditor of State

TRI VILLAGE JOINT AMBULANCE DISTRICT

DARKE 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
AUGUST 21, 2012