



Dave Yost • Auditor of State

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

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statement of Receipts, Disbursements, and Changes in General Fund Balance (Cash Basis) For the Year Ended December 31, 2013	3
Statement of Receipts, Disbursements, and Changes in General Fund Balance (Cash Basis) For the Year Ended December 31, 2012	4
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings.....	14

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Tri-Village Joint Ambulance District
Darke County
P.O. Box 247
New Madison, Ohio 45346

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Tri-Village Joint Ambulance District, Darke County, (the District) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688

www.ohioauditor.gov

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

November 6, 2014

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

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

	General
Cash Receipts:	
Property and Other Local Taxes	\$129,409
Intergovernmental	18,040
Miscellaneous	686
Earnings on Investments	34
Total Cash Receipts	148,169
Cash Disbursements:	
Contractual Services	110,000
Salaries	51,229
Fringe Benefits	6,907
Other	3,879
Total Cash Disbursements	172,015
Excess Receipts Over (Under) Disbursements	(23,846)
Fund Cash Balances, January 1	71,745
Fund Cash Balances, December 31:	
Assigned	44,038
Unassigned (Deficit)	3,861
Fund Cash Balances, December 31	\$47,899

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

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

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

	General
Cash Receipts:	
Property and Other Local Taxes	\$129,400
Intergovernmental	17,974
Earnings on Investments	313
Rent	5,510
Total Cash Receipts	153,197
 Cash Disbursements:	
Contractual Services	93,359
Salaries	43,923
Fringe Benefits	6,270
Other	14,075
Total Cash Disbursements	157,627
 Excess Receipts Over (Under) Disbursements	 (4,430)
 Other Financing Receipts (Disbursements):	
Other Financing Uses	(9,114)
Total Other Financing Receipts (Disbursements)	(9,114)
 Net Change in Fund Cash Balance	 (13,544)
 Fund Cash Balances, January 1	 85,289
 Fund Cash Balances, December 31:	
Assigned	70,503
Unassigned (Deficit)	1,242
Fund Cash Balances, December 31	\$71,745

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, 2013 AND 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the 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 permitted by the financial reporting provisions of Ohio Revised code Section 117.38 and Ohio Administrative code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised code Section 117.38 and Ohio Administrative code Section 117-2-03(D) permit.

C. Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The District values certificates of deposit at cost. The District currently has no investments.

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.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 canceled, and appropriated in the subsequent year.

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

F. Fund Balance

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

1. Non-spendable

The District classifies assets as *non-spendable* 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, 2013 AND 2012
(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 demand deposit account. The District currently has no investments. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2013	2012
Demand deposits	\$47,899	\$71,745
Total deposits	\$47,899	\$71,745

Deposits: Deposits are insured by the Federal Depository Insurance Corporation

3. BUDGETARY ACTIVITY

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

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$142,000	\$148,169	\$6,169
Total	\$142,000	\$148,169	\$6,169

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$212,503	\$172,015	\$40,488
Total	\$212,503	\$172,015	\$40,488

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

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

3. BUDGETARY ACTIVITY (Continued)

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$150,000	\$153,197	\$3,197
Total	\$150,000	\$153,197	\$3,197

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$235,645	\$166,741	\$68,904
Total	\$235,645	\$166,741	\$68,904

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. RETIREMENT SYSTEMS

The District's Employees belong to the Ohio Public Employees Retirement System (OPERS). The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, 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, 2013.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Errors and omissions.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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
P.O. Box 247
New Madison, Ohio 45346

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 Tri-Village Joint Ambulance District, Darke County, (the District) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2014 wherein we note the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of 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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-003 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, 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 findings as item 2013-001 through 2013-003.

Purpose of this Report

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

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

Columbus, Ohio

November 6, 2014

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

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

FINDING NUMBER 2013-001

Filing of Annual Financial Report, Noncompliance

Ohio Rev. Code § 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 2013 and 2012.

The District should implement procedures to complete and file its Annual Report and publish a notice within the stated time period to provide timely year-end financial information.

Official's Response:

Officials did not respond to this finding

FINDING NUMBER 2013-002

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 Expenditures of Public Funds/Proper Public Purpose** states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

The 2013 Employment Agreement between Tri-Village Joint Ambulance District and Eric J. Burns, Administrator, states that the Administrator will be reimbursed in the amount of \$512 per month for medical insurance, with payments being made directly to the Administrator. In 2013, the Administrator was reimbursed in the amount of \$256 bi-weekly for an annual total amount of \$6,656 rather than the amount specified in the Employment Agreement of \$512 per month for an annual amount of \$6,144. This represents an overpayment in the amount of \$512 for medical insurance reimbursement in 2013.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code §117.28**, a Finding for Recovery for public money illegally expended is hereby issued against Eric J. Burns in the amount of \$512, and in favor of the Tri-Village Joint Ambulance District's General Fund.

**FINDING NUMBER 2013-002
(Continued)**

Upon notification of the error by the Auditor of State's office, the District notified Eric Burns of the overpayment on his 2013 medical insurance reimbursement. The District deducted \$512 from Eric Burns' gross salary on the November 14, 2014 payroll to repay the overpayment of medical insurance back to the District.

Official's Response:

Officials did not respond to this finding.

FINDING NUMBER 2013-003

Financial Statement Presentation, Noncompliance/Material Weakness

Ohio Adm. Code § 117-2-02 (A) states 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 liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule [117-2-03](#) of the Administrative Code.

The District did not properly keep the District's books and improperly rolled up the receipts and disbursements to the financial statements. The following errors were noted on the District's annual financial statements:

- During 2013 and 2012, real estate taxes and mobile home taxes were posted as intergovernmental revenue instead of tax revenue; which resulted in reclassifications of \$129,409 and \$129,400 respectively.
- During 2012, two of the four property tax receipts were posted at the net amount rather than the gross amount received. This resulted in an understatement of revenue and expenditures in the amount of \$1,852. Also during 2012, real property rollback in the amount of \$8,986 was posted as an over payment rather than intergovernmental revenue.
- During 2012, the District cashed in a CD and posted it as negative expenditure; the CD was already included into the District's fund balance and therefore would not have had to be posted to the entity's records. The only entry that the District should have posted was the interest that was earned on the CD and not yet paid to the District. The results of this error required expenditures to be increased by \$44,106 and revenue to be increased by \$276.
- Also during 2012, the District posted a refund payment to Tri Village Rescue Service as a negative receipt to intergovernmental revenue, which it should have been posted as an Other Financing Uses. This resulted in the revenue and expenditures being understated by \$9,114.
- During 2013, the District received refunds from the Internal Revenue Service and Bureau of Workers Compensation which were posted as negative expenditures. This resulted in the expenditures and receipts being understated by \$686.
- The District used QuickBooks Accrual Basis system which resulted in overstated expenditures of \$3,024 for 2012 and \$1,678 for 2013.
- The District failed to properly classify the amount by which appropriations exceeded estimated receipts for the subsequent fiscal year. The shortage of resources in the subsequent year was greater than the year-end fund balances at year-end 2012 and 2013; therefore, the General Fund Assigned balance in 2013 and 2012 was revised to \$44,038 and \$70,503, respectively.

The accompanying financial statements include the required adjustments to properly present the District's financial activity for 2013 and 2012.

FINDING NUMBER 2013-003
(Continued)

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. Also, the District should review Auditor of State Bulletin 2011-004 and apply GASB 54 to the financial statements and classifications of the fund balance.

Official's Response:

Officials did not respond to this finding.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Filing of Annual Financial Report, Noncompliance	No	Not Corrected, Reissued as Finding 2013-001
2011-002	Contractual Services, Finding for Recovery	Yes	
2011-003	Use of Purchase Orders, Noncompliance	Yes	
2011-004	Cash Reconciliation and Financial Statement Presentation, Material Weakness	No	Partially corrected, Reissued as Finding 2013-003 – a cash reconciliation is being completed; however, the material weakness still exists in regards to Financial Statement Presentation



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
DECEMBER 2, 2014**