



Dave Yost • Auditor of State



**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Scioto Ambulance District  
Scioto County  
57 Barker Street  
PO Box 64  
McDermott, Ohio 45652

To the Board of Trustees:

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the cash balances, receipts and disbursements by fund type, and related notes of the Scioto Ambulance District, Scioto County, Ohio (the District) as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for preparing and fairly presenting this financial statement 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 a financial statement free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on this financial statement 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 statement is 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 statement in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 1 of the financial statement, the District prepared this financial statement 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 these requirements.

Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does 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 statement referred to above presents fairly, in all material respects, the cash balances of the Scioto Ambulance District, Scioto County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

April 15, 2016

**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
FOR THE YEARS ENDED DECEMBER 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash Receipts:</b>		
Property and Other Local Taxes	\$151,148	\$193,527
Intergovernmental	29,161	41,850
Charges for Services	210,809	243,971
Earnings on Investments	1,363	1,734
	<b>392,481</b>	<b>481,082</b>
<b>Cash Disbursements:</b>		
General Government		
Public Safety	430,021	514,950
Debt Service:		
Principal Retirement	32,492	31,635
Interest and Fiscal Charges	1,770	2,627
	<b>464,283</b>	<b>549,212</b>
Excess Cash Receipts Over (Under) Cash Disbursements	<b>(71,802)</b>	<b>(68,130)</b>
<b>Other Financing Receipts:</b>		
Other Financing Sources	143	180
	<b>143</b>	<b>180</b>
Net Change in Fund Cash Balance	<b>(71,659)</b>	<b>(67,950)</b>
Fund Cash Balances, January 1	<b>251,846</b>	<b>319,796</b>
<b>Fund Cash Balances, December 31</b>		
Unassigned (Deficit)	<b>180,187</b>	<b>251,846</b>
<i>Fund Cash Balances, December 31</i>	<b>\$180,187</b>	<b>\$251,846</b>

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

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**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
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 Scioto Ambulance District, Scioto County, (the District), as a body corporate and politic. A four-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Brush Creek Township, Morgan Township, Otway Village, Rush Township, and Union Township. Effective January 1, 2013, Union Township was no longer part of the Scioto Ambulance District. The District provides rescue services within the District.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

**B. Accounting Basis**

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

This statement includes 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**

The District has one checking account.

**D. 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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**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 2013 and 2012 budgetary activity appears in Note 3.

**E. Fund Balance**

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

**1. Nonspendable**

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

**2. Restricted**

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

**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.

**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.

**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

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.

**F. Property, Plant, and Equipment**

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

**2. Cash**

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

	2013	2012
Demand deposits	\$180,187	\$251,846

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

**3. Budgetary Activity**

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

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$441,820	\$392,624	(\$49,196)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$464,283	(\$464,283)

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$411,308	\$481,262	\$69,954

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$549,329	(\$549,329)

**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

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

**3. Budgetary Activity (Continued)**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$464,283 for the year ended December 31, 2013 and by \$549,329 for the year ended December 31, 2012 as a result of the District not passing annual appropriation measures for years 2013 and 2012.

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the District 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 statement includes 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, 2013 was as follows:

	Principal	Interest Rate
Lease Purchase Agreement	\$33,373	2.65%

The District entered into a Lease Purchase Agreement on October 25, 2011 in the principal amount of \$97,500 at an interest rate of 2.65% for the purpose of acquiring an ambulance.

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

	Lease Purchase Agreement
Year ending December 31:	
2014	\$34,269
Total	\$34,269

**6. Retirement Systems**

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

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, the OPERS member contributed 10% of their gross salary and the District contributed an amount equaling 14%, of the participant's gross salary. The District has paid all contributions required through December 31, 2013.

**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

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

**7. Risk Management**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2013 and 2014.

	<u>2013</u>	<u>2014</u>
Assets	\$13,774,304	\$14,830,185
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	<u>\$5,805,909</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**8. Contingent Liabilities**

The District is involved in legal proceedings. Management cannot presently determine the outcome of these proceedings.

**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

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

**9. Subsequent Events**

Effective January 1, 2013, Union Township was no longer part of the Scioto Ambulance District. It is uncertain what effect (if any) this will have on the District's operations.

**10. Outstanding Balances**

The District had outstanding balances for Federal and Medicare Withholdings including interest and penalties in the amount of \$62,102 which related to 2010 through 2013.

**11. Financial Condition**

The District is experiencing decreasing fund balances and has outstanding balances (See Note 10). The District is monitoring operations and expenditures to address this condition and has stopped the third shift services.

**12. Compliance**

Contrary to Ohio Rev. Code Section 5705.38(A) the District did not approved and pass annual appropriation measures for years 2012 and 2013. In addition, there were no appropriations filed with the Scioto County Auditor.

At December 31, 2013 and December 31, 2012 expenditures exceeded appropriations contrary to Ohio Rev. Code Section 5705.41(B).

Contrary to Ohio Rev. Code Section 5705.41(D), 100% of disbursements were not properly encumbered due to the District not approving appropriation measures and failure of the District Fiscal Officer to file appropriations with the County Auditor for 2012 and 2013.



# 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

Scioto Ambulance District  
Scioto County  
57 Barker Street  
PO Box 64  
McDermott, Ohio 45652

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 statement of the cash balances, receipts, and disbursements by fund type of the Scioto Ambulance District, Scioto County, Ohio (the District) as of and for the year ended December 31, 2013 and December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated April 15, 2016 wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statement. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2013-005 through 2013-008 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statement is 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 2013-001 through 2013-004 and 2013-009 through 2013-016.

***Entity's Response to Findings***

The District's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

***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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

April 15, 2016

**SCIOTO AMBULANCE DISTRICT  
SCIOTO COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2013-001**

**Noncompliance Citation**

Ohio Rev. Code, Section 5705.41(B), prohibits a subdivision or taxing unit from expending money unless it is appropriated.

At December 31, 2013, expenditures exceeded appropriations as follows:

	Appropriations	Expenditures	Variance
General Fund	\$0	\$464,283	(\$464,283)

At December 31, 2012, expenditures exceeded appropriations as follows:

	Appropriations	Expenditures	Variance
General Fund	\$0	\$549,329	(\$549,329)

This could result in overspending if not properly monitored.

We recommend the District not make or approve expenditures unless temporary or permanent appropriations have been approved by the Board of Trustees and filed with the County Auditor.

**FINDING NUMBER 2013-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the County Budget Commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

The District did not pass annual appropriation measures for years 2012 and 2013. Also, there were no appropriations filed with the Scioto County Auditor for years 2012 and 2013. However, appropriation amounts were posted to the District's accounting system for both years. See related control deficiency in Finding Number 2013-005. This resulted in the District not having an appropriation measure in effect for 2012 and 2013.

Failure to approve a permanent appropriation measure could result in overspending and deficit cash balances due to the District's Fiscal Officer and Board not having the legislatively established measure to control expenditures.

We recommend the District Board adopt an appropriation measure on or about the first day of each fiscal year. We further recommend both temporary and permanent appropriations, and all amendments thereto, be filed with the County Auditor's Office.

### FINDING NUMBER 2013-003

#### Noncompliance Citation

Internal Revenue Code (IRC) Chapter 26 §3401, §3402, §3403, §3404, §3405, and §3102(a) require the employing government to withhold federal, state, and local income and employment related taxes (such as Medicare). They also require the government to report and remit those tax matters to the appropriate tax authorities and to the recipients.

During payroll withholdings testing, we identified an outstanding balance at December 31, 2013 in the amount of \$62,102 relating to federal income tax and Medicare withholdings not remitted to the federal government. These amounts relate to time periods ranging from 2010 through 2013.

This could result in significant charges for fines, penalties and interest being incurred by the District.

We recommend the Board of Trustees adopt policies and procedures to ensure that withholdings payments and withholding reports are remitted timely and support should be maintained on file to evidence of performance. We further recommend the Fiscal Officer and District contact the Internal Revenue Service (IRS) to resolve the outstanding balances owed. This matter will also be referred to the IRS.

### FINDING NUMBER 2013-004

#### Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D)(1) 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. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

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.

**FINDING NUMBER 2013-004**  
**(Continued)**

2. **Blanket Certificate** - Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. Purchase orders may not exceed an amount established by resolution or ordinance of the legislative authority, and cannot extend past the end of the fiscal year. In other words, blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.
  
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 line item appropriation.

One hundred percent (100%) of disbursements were not properly encumbered due to the Board of Trustees not approving permanent appropriations or filing appropriations with the County Auditor's Office which resulted in unlawful appropriations for 2013 and 2012 (See Finding Number 2013-002). In addition, the purchase order was not on file for 45% of the items tested.

Failure to certify the availability of funds properly can result in overspending funds and negative cash fund balances.

Unless the District uses the exceptions noted above, 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 funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify the funds are or will be available prior to obligation. When prior certification is not possible, "then and now" certification should be used.

We recommend the Board of Trustees approve permanent appropriations and the fiscal officer file appropriations with the County Auditor's Office. We further recommend the District officials and employees obtain the Fiscal Officer's certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certificate language of Ohio Rev. Code Section 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the District incurs the commitment, and only when the requirements of Ohio Rev. Code Section 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation. We further recommend that the District maintain all purchase orders on file for future reference.

## FINDING NUMBER 2013-005

### Material Weakness

Budgetary controls should be in place at the District. Budgetary controls are required by Ohio Law and are essential tools for management to establish budgets and monitoring related receipts and disbursements. Also, the budget quantifies management's policies for using a government's limited resources through its appropriations.

We determined during budgetary testing that the District had insufficient budgetary controls, as exemplified by the following conditions:

The following items were noted:

- For 2012 the only items on file with the County Auditor were: tax budget information, Official Certificate of Estimated Resources, December 31, 2011 Fund Status Report, and Amended Official Certificate of Estimated Resources for 2012 dated January 26, 2012.
- For 2013 the only items on file with the County Auditor were: tax budget information, Official Certificate of Estimated Resources, December 31, 2012 Fund Status Report, and Amended Official Certificate of Estimated Resources dated August 24, 2012.
- There were no budgetary items approved / passed by the District's Board Members and documented in the minute record for 2012 and 2013.
- Appropriation measures were not approved and filed with the County Auditor's Office for 2012 and 2013. See Finding number 2013-002. This resulted in 100% of disbursements not being properly encumbered since there were no appropriations certified by the County Auditor. See Finding Number 2013-004.
- Appropriations were posted to the accounting system; however, there were no official appropriations for 2012 and 2013. See Finding number 2013-002. This resulted in the accounting system not matching official activity of the District and in adjustments to the District's budgetary footnote as follows: for 2012, the General Fund budgeted expenditures decreased by \$716,933 (from \$716,933 to \$0). For 2013, the General Fund budgeted expenditures decreased by \$718,253 (from \$718,253 to \$0).
- Estimated revenues were posted to the accounting system; however, they did not agree to the amounts per the amended official certificates of estimated resources. This resulted in the accounting system not matching official activity of the District and in adjustments to the District's budgetary footnote as follows: for 2012, the General Fund budgeted receipts decreased by \$735 (from \$412,043 to \$411,308). For 2013, the General Fund budgeted receipts decreased by \$47,956 (from \$489,776 to \$441,820).

These conditions resulted in the District's noncompliance with Ohio budgetary law and could result in future cash deficits.

We recommend the fiscal officer and members of the District Board review Ohio Revised Code budgetary requirements to become familiar with Ohio budgetary law. We further recommend the District develop and implement budgetary controls in compliance with the Ohio Revised Code and begin approving budgetary documents, maintaining copies on file, filing the budgetary documents with the County Auditor's Office, maintaining the official budget in the District accounting system, and monitor actual receipts and disbursements against the official budget.

## FINDING NUMBER 2013-006

### Material Weakness

The District utilizes the Uniform Accounting Network (UAN) Accounting System which includes a monthly reconciliation process to assist the Fiscal Officer in the monthly book to bank reconciliation. Although the monthly reconciliations were performed in the accounting system, reconciliations were not accurate during 2013.

We identified the following conditions related to the December 2013 year-end reconciliation:

- Deposits in transit indicated as receipts not in UAN (District's accounting system) in the amount of \$725.
- Outstanding payments were indicated in the amount of \$22,367.
- Other adjusting factors indicated as inflating bank errors were included in the amount of \$35,741.
- There were no deposits in transit.
- Outstanding payment listing was \$26,422 which differs \$4,055 from the December 31, 2013 reconciliation amount.
- The outstanding payment listing included \$20,242 in payments which were voided after year end in February 2014.
- Interest revenues in the amount of \$201 were not posted.
- Duplicate posted receipts in the amount of \$18,770 were identified.
- Receipts and portions of receipts not posted in the amount of \$22,508 were identified.
- Other reconciling items resulting in a net fund balance decrease in the amount of \$236 were identified.

These conditions not only increase the likelihood of accounting errors, but increase the risk that fraud or theft may occur and not be detected. Also, increased audit fees were incurred due to proof of cash procedures being required to be performed to identify reconciling items and differences. The District adjusted the financial statements and accounting records to correct these errors.

As a result, we make the following recommendations:

- We recommend that accurate reconciliations of the District's bank account be performed by the fiscal officer on a monthly basis. Any reconciling items should be documented and investigated to prevent unsupported adjustments from being recorded.
- We recommend the fiscal officer maintain accurate listings of outstanding checks and deposits and to follow up on items which have been outstanding for an extended period of time to ensure that proper credit is given to the District for outstanding deposits, outstanding deposits are properly supported, and outstanding checks are voided and paid into an unclaimed monies fund or reissued.
- We recommend that the monthly bank reconciliations be reviewed and approved by the District Board as part of their monthly Board Meetings and signed or initialed by the Board members to evidence their review and approval.

## FINDING NUMBER 2013-007

### Material Weakness

Sound payroll controls are the responsibility of the fiscal officer and the District Board and are essential to ensure the accuracy of payments made to employees and to Federal, State and Local agencies as well as to ensure accurate and timely reporting to Federal, State and Local agencies.

District policies and procedures directed employees to sign their electronically stamped timecard, transfer the hours from a timecard to a time summary, and then sign the time summary for accuracy. However, payroll testing revealed the following conditions:

- Some timecards had no signatures and some timecards had no summaries attached; Certain time summaries were not signed; Certain disbursements had no support. Time cards were also identified which did not include electronic time in / time out punches and the time could not be read on certain timecards due to double electronic punches. Instances were also identified where hours were included on the time summaries but were not included on the timecard or no support could be identified due to the conditions of the payroll records for the period. Instances were also identified in which the dates of the checks preceded the ending date of the pay period.
- Employees signed off on their own timecard or timesheet; however, no supervisory review or approval is documented via signatures or initials.
- Electronically punched time cards were utilized by the District; however, we identified several instances of handwritten, missing, and double punched timecards.
- Payments to hourly employees issued on the 15<sup>th</sup> day of the month included time for the 15<sup>th</sup>, and payments issued on the last day also included time for the last day of the month. This resulted in employees being paid for hours which were not yet worked. In addition, there were instances noted in 2013 where paychecks were entered into the system before the date of payment which resulted in payment for hours that were not yet earned. Also, as a result of the payment dates, employees submitted their timecards before they completed the pay period which resulted in an inability to determine actual hours worked.
- There were several instances identified where District employees were required to work hours that are not regularly scheduled. The District had no formal process for reporting and approving these hours, and employees self-reported these hours on their timecard summary. This could result in the abuse and inability to verify overtime hours.
- The District approved all rates of pay in their Board meetings. Our testing revealed instances of certain employees being paid at incorrect rates of pay. We also identified an instance in which an individual was paid at a higher rate of pay for serving a supervisory role; however, no documentation was maintained to support the rate. Findings for Recovery are issued in Finding Numbers 2013-009 – 2013-016.
- The Scioto Ambulance District Handbook and Disciplinary Grid addresses items such as holidays, payment for overtime, vacation, and wages and was to apply uniformly to all employees of the Scioto Ambulance District. We could not determine if certain sections of the handbook and disciplinary grid were being followed and consistently applied by District management.

**FINDING NUMBER 2013-007  
(Continued)**

**Material Weakness (Continued)**

These conditions resulted in inaccurate employee compensation and Findings for Recovery against several employees, in Finding Numbers 2013-009 – 2013-016. The accumulative impact of the issues above had the potential to materially misstate the financial statements.

We make the following recommendations:

- We recommend a formal process be developed for the use of the time clock and time cards which should include requiring the signature of the employee evidencing the work performed and the signature of a supervisory official to evidence review and approval of the time worked prior the payment for work performed being made.
- We recommend support be maintained and kept on file for all amounts paid relating to payroll disbursements.
- We recommend a formal review process be put in place to monitor payroll expenditures.
- We recommend a lag time or delay in payment be implemented to ensure all hours in which payment is being paid have been worked and approved by a supervisory official at the time a paycheck is written and issued.
- We recommend that payroll checks not be issued which are not supported by accurately prepared and completed timecards which are submitted by the employee and approved by a supervisory official.
- We recommend the District adopt a formal policy clearly identifying what does and does not constitute overtime. We further recommend that formal policies and procedures be implemented for the reporting, review and approval of overtime related items such as meetings or back up runs. These policies and procedures should include maintaining formal documentation to evidence occurrence, attendance, review, and approval.
- We recommend due care be used when entering standing pay rates into the accounting system and we further recommend a control procedure be put in place to ensure pay rates are being reviewed for accuracy.
- We recommend policies and procedures be implemented for the use of the time card system which include procedures on how to address the following: missing punches on time cards, hand written times on time cards, and double punched and unreadable punches on timecards.
- We recommend the Handbook and Disciplinary Grid be reviewed and revised to clearly identify the processes, terms, and conditions followed by the District.
- We recommend the Board of Trustees adopt policies and procedures, including timely reviews of the UAN payroll accounting system, payroll reports, and payroll checks to identify and correct errors or omissions.

## FINDING NUMBER 2013-008

### Material Weakness

Sound financial reporting is the responsibility of the District Fiscal Officer and Board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

We identified the following financial statement errors:

#### **2012 Financial Statement**

- Beginning and ending fund balance was understated by \$14,843 as a result of an entry made to the accounting system in January 2014 to void long outstanding checks relating to 2008 to 2011.
- Ending fund balance was further understated by \$8,409 as a result of an entry made to the accounting system in January 2014 to void outstanding checks relating to 2012.
- Intergovernmental Receipts in the amount of \$25,532 were improperly classified as Property Tax Receipts and were posted in net amounts with deductions not being posted as disbursements.
- General Fund balance in the amount of \$228,594 which should have been classified as unassigned fund balance was improperly classified as restricted fund balance.
- Fees received for ambulance billings in the amount of \$241,954 were classified as Licenses, Permits, and Fees instead of Charges for Services.
- Ambulance District disbursements totaling \$521,576 were classified as general government disbursements instead of public safety disbursements.
- Principal Retirement disbursements in the amount of \$1,635 were improperly classified as Interest and Fiscal Charges disbursements.

#### **2013 Financial Statement**

- For 2013, proof of cash procedures were performed to identify the other adjusting factors and to test the amounts for deposits in transit and outstanding payments relating to the December 2013 year end reconciliation. (See Finding 2013-006)
- Property Tax Receipts were overstated in an amount of \$13,910 as a result of duplicate postings of receipts to the accounting system.
- Various types of receipts totaling \$17,991 were determined not to be posted to the accounting system.
- Intergovernmental Receipts in the amount of \$27,081 were improperly classified as Property Tax Receipts and were posted in net amounts with deductions not being posted as disbursements.
- Receipts and disbursements were understated in the amount of \$4,516 as a result of property tax receipts being posted in net amounts compared to posting in gross amounts with deductions posted as disbursements.
- General Fund balance in the amount of \$156,242 which should have been classified as unassigned fund balance was improperly classified as assigned fund balance.

**FINDING NUMBER 2013-008  
(Continued)**

- Disbursements in the amount of \$45,451 were classified as other financing uses which should have been classified as public safety disbursements.
- Principal Retirement disbursements in the amount of \$2,492 were improperly classified as Interest and Fiscal Charges disbursements and other financing uses.
- Charges for services receipts in the amount of \$1,332 were improperly classified as property tax receipts.
- Fees received for ambulance billings in the amount of \$193,467 were classified as Licenses, Permits, and Fees instead of Charges for Services.
- Disbursements were overstated \$20,242 as a result of outstanding checks being voided after year end.
- Outstanding encumbrances at December 31, 2013 were overstated in the amount of \$30,692.
- Ambulance District disbursements totaling \$392,398 were classified as general government disbursements instead of public safety disbursements.

In addition, for both years the majority of disbursements were classified as general government (2012 - \$521,576; 2013 - \$392,398) disbursements whereas the entity is an ambulance district in which the majority of its activities would represent public safety emergency medical services disbursements.

The District corrected the financial statements and accounting records where appropriate.

To ensure the District's financial statements and notes to the financial statements are complete and accurate, the District Board of Trustees should adopt policies and procedures, including a final review of the financial statements and footnotes by the fiscal officer and District Board to identify and correct errors or omissions. We further recommend the District review disbursement line items used versus UAN account code descriptions to begin using account codes which reflect the public safety emergency medical services activities of the District.

**FINDING NUMBER 2013-009**

**Noncompliance - Finding for Recovery – Darren Sandlin**

On December 15, 2010, the Scioto Ambulance District Board approved the Scioto Ambulance District Handbook and Disciplinary Grid. The purpose clause of the handbook indicated all Scioto Ambulance District Squad 2 employees are subject to these standards and indicated the Rules herein promulgated, apply uniformly to all employees of the Scioto Ambulance District Squad 2.

Section 18 of the Handbook and Disciplinary Grid addresses holidays and includes the following:

- Those employees who work less than a 32 hour work week are not eligible for holiday pay
- An employee on an alternate work schedule is entitled to the same number of holidays and paid holiday hours as regularly scheduled employees
- In any case no employee shall be entitled to holiday pay over the cost of one eight hour shift

**FINDING NUMBER 2013-009  
(Continued)**

Section 19 of the Handbook and Disciplinary Grid addresses overtime work and indicates hours in active pay status more than 40 hours in any calendar week shall be compensated at the rate of one and one-half times the employees total rate of pay for each hour of time over forty hours.

Section 20 of the Handbook and Disciplinary Grid addresses work week and hours of the week and indicates the regularly scheduled work week for the Scioto Ambulance District starts at 12:00 am on Sunday and ends at 11:59 pm on Saturday.

Employee Darren Sandlin was paid an additional eight hours at the overtime rate of pay on the February 28, 2013 paycheck (Check # 6465) which was not supported by a time card. In addition, the amount paid on the February 28, 2013 paycheck was determined to already include holiday pay. This resulted in an overpayment in the amount of \$177.12 (8 Hours x \$14.76 pay rate x 1.5 Overtime).

Employee Darren Sandlin was also paid an additional eight hours at the regular rate of pay on the October 15, 2013 paycheck (Check # 6818) for Columbus Day holiday pay however during the week of Sunday October 13, 2013 through Saturday October 19, 2013 payroll records show the employee worked 24 hours which is less than the required 32 hours to be eligible for holiday pay. This resulted in an overpayment in the amount of \$118.08 (8 Hours x \$14.76 pay rate).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Darren Sandlin in the amount of \$295.20 (\$177.12 + \$118.08), and in favor of the Scioto Ambulance District General Fund, in the amount of \$295.20.

We recommend that the Scioto Ambulance District monitor payments to employees to ensure that payments are in accordance with the Scioto Ambulance District Handbook and Disciplinary Grid and supported by the payroll records of the Scioto Ambulance District.

**FINDING NUMBER 2013-010**

**Noncompliance - Finding for Recovery – Stephanie Phipps**

On December 15, 2010, the Scioto Ambulance District Board approved the Scioto Ambulance District Handbook and Disciplinary Grid. The purpose clause of the handbook indicated all Scioto Ambulance District Squad 2 employees are subject to these standards and indicated the Rules herein promulgated, apply uniformly to all employees of the Scioto Ambulance District Squad 2.

Section 18 of the Handbook and Disciplinary Grid addresses holidays and includes the following:

- Those employees who work less than a 32 hour work week are not eligible for holiday pay
- An employee on an alternate work schedule is entitled to the same number of holidays and paid holiday hours as regularly scheduled employees
- In any case no employee shall be entitled to holiday pay over the cost of one eight hour shift

Section 19 of the Handbook and Disciplinary Grid addresses overtime work and indicates hours in active pay status more than 40 hours in any calendar week shall be compensated at the rate of one and one-half times the employees total rate of pay for each hour of time over forty hours.

**FINDING NUMBER 2013-010  
 (Continued)**

Section 20 of the Handbook and Disciplinary Grid addresses work week and hours of the week and indicates the regularly scheduled work week for the Scioto Ambulance District starts at 12:00 am on Sunday and ends at 11:59 pm on Saturday.

We noted the following in testing Employee Stephanie Phipps' payroll:

**2012**

Check Number	Check Date	Overpayment Amount	Description
5914	April 13, 2012	\$48.04	10.5 Hours of overtime paid during the week of March 25, 2012 through March 31, 2012 in which employee's total hours worked were 42.5 resulting in 8 additional hours paid at overtime rate (0.5 Overtime x 8 hours x \$12.01 Rate of Pay)
6057	June 29, 2012	18.01	11.75 Hours of overtime paid during time period of July 1, 2012 through July 14, 2012 in which the payroll records support 10.75 overtime rate hours resulting in 1 additional hour paid at overtime rate (1.5 Overtime Rate x 1 Hour x \$12.01 Rate of Pay).
6174	September 14, 2012	36.03	12 Hours of overtime paid during the time period of September 2, 2012 through September 15, 2012 in which the payroll records support 10 overtime rate hours resulting in 2 additional hours paid at overtime rate (1.5 Overtime Rate x 2 Hours x \$12.01 Rate of Pay).
6276	November 15, 2012	12.01	One additional hour overpaid relating to work performed November 2, 2012 which was not supported by the payroll records.
Total:		\$114.09	

**2013**

Check Number	Check Date	Over (Under) Payment Amount	Description
6553	April 30, 2013	(\$4.60)	0.25 hours of overtime earned but not paid
6576	May 15, 2013	36.78	Employee was paid for 5.5 hours of overtime in which payroll records supported 3.5 hours of overtime. Resulted in overpayment of 2 hours of overtime (1.5 Overtime Rate x 2 Hours x \$12.26 Rate of Pay)
6631	June 15, 2013	(27.58)	1.5 hours of overtime earned but not paid (1.5 Overtime Rate x 1.5 hours x \$12.26 Rate of Pay)
Total:		\$4.60	

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Stephanie Phipps in the amount of \$118.69 (\$114.09 + \$4.60), and in favor of the Scioto Ambulance District General Fund, in the amount of \$118.69.

We recommend that the Scioto Ambulance District monitor payments to employees to ensure that payments are in accordance with the Scioto Ambulance District Handbook and Disciplinary Grid and supported by the payroll records of the Scioto Ambulance District.

**FINDING NUMBER 2013-011**

**Noncompliance - Finding for Recovery – Michael Miller**

On December 15, 2010, the Scioto Ambulance District Board approved the Scioto Ambulance District Handbook and Disciplinary Grid. The purpose clause of the handbook indicated all Scioto Ambulance District Squad 2 employees are subject to these standards and indicated the Rules herein promulgated, apply uniformly to all employees of the Scioto Ambulance District Squad 2.

Section 18 of the Handbook and Disciplinary Grid addresses holidays and includes the following:

- Those employees who work less than a 32 hour work week are not eligible for holiday pay
- An employee on an alternate work schedule is entitled to the same number of holidays and paid holiday hours as regularly scheduled employees
- In any case no employee shall be entitled to holiday pay over the cost of one eight hour shift

Section 19 of the Handbook and Disciplinary Grid addresses overtime work and indicates hours in active pay status more than 40 hours in any calendar week shall be compensated at the rate of one and one-half times the employees total rate of pay for each hour of time over forty hours.

Section 20 of the Handbook and Disciplinary Grid addresses work week and hours of the week and indicates the regularly scheduled work week for the Scioto Ambulance District starts at 12:00 am on Sunday and ends at 11:59 pm on Saturday.

On November 21, 2012 the Scioto Ambulance District Board voted to give full time employees a \$100 Christmas bonus and part-time employees a \$75 Christmas bonus.

We noted the following in testing Employee Michael Miller's payroll:

Check Number	Check Date	Over (Under) Payment	Description
5944	April 30, 2012	\$6.00	0.5 hours overpaid as a result of time card supporting 15.5 hours compared to 16 hours paid (0.5 Hour x \$12.01 pay rate)
6220	October 15, 2012	12.01	One hour overpayment as a result of time card supporting 7 hours compared to 8 hours paid
6334	December 14, 2012	825.75	Error identified in payment of Christmas bonus. \$75 bonus was input as 75 hours worked. (75 Hours times \$12.01 pay rate minus \$75 Bonus Amount)
Total:		\$843.76	

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Michael Miller in the amount of \$843.76, and in favor of the Scioto Ambulance District General Fund, in the amount of \$843.76.

We recommend that the Scioto Ambulance District monitor payments to employees to ensure that payments are in accordance with the Scioto Ambulance District Handbook and Disciplinary Grid and supported by the payroll records of the Scioto Ambulance District.

**FINDING NUMBER 2013-012**

**Noncompliance - Finding for Recovery – Timothy Phipps**

On December 15, 2010, the Scioto Ambulance District Board approved the Scioto Ambulance District Handbook and Disciplinary Grid. The purpose clause of the handbook indicated all Scioto Ambulance District Squad 2 employees are subject to these standards and indicated the Rules herein promulgated, apply uniformly to all employees of the Scioto Ambulance District Squad 2.

Section 18 of the Handbook and Disciplinary Grid addresses holidays and includes the following:

- Those employees who work less than a 32 hour work week are not eligible for holiday pay
- An employee on an alternate work schedule is entitled to the same number of holidays and paid holiday hours as regularly scheduled employees
- In any case no employee shall be entitled to holiday pay over the cost of one eight hour shift

Section 19 of the Handbook and Disciplinary Grid addresses overtime work and indicates hours in active pay status more than 40 hours in any calendar week shall be compensated at the rate of one and one-half times the employees total rate of pay for each hour of time over forty hours.

Section 20 of the Handbook and Disciplinary Grid addresses work week and hours of the week and indicates the regularly scheduled work week for the Scioto Ambulance District starts at 12:00 am on Sunday and ends at 11:59 pm on Saturday.

Section 47 addresses wages and includes \$1 per hour for individuals having supervisory roles.

We noted the following in testing Employee Timothy Phipps' payroll:

2012

Check Number	Check Date	Over (Under) Payment	Description
5785	January 13, 2012	(\$3.25)	0.5 Hours of time worked on a holiday not paid at 1.5 overtime rate but paid at regular rate (0.5 Hours x \$13.01 Rate of Pay x 0.5 Overtime Rate)
5865	March 15, 2012	19.51	1 Hour of additional pay paid at overtime rate for March 9, 2012 in which time card supported 8 hours compared to 9 hours paid (1 Hour x \$13.01 Rate of Pay x 1.5 Overtime Rate)
5895	March 30, 2012	9.75	0.5 Hours overpaid at overtime rate as a result of time card supporting 7.5 hours worked on March 28 compared to 8 hours being paid (0.5 Hours x \$13.01 x 1.5 Overtime Rate)
Total:		\$26.01	

**FINDING NUMBER 2013-012**  
**(Continued)**

Timothy Phipps was squad chief during 2012 and was to receive an additional \$1 per hour compensation however beginning with the January 31, 2012 paycheck, he was being compensated an additional \$1.50 per hour instead of the \$1 per hour. As a result, we identified the following overpayment amounts:

Description	Overpayment Amount
1,291 hours paid at \$13.51 pay rate instead of \$13.01 pay rate	\$645.50
75 Overtime hours paid at \$13.51 pay rate instead of \$13.01 pay rate (75 Hours x \$0.50 Overpayment Amount x 0.5 Overtime Rate)	18.75
40.5 Holiday hours paid at \$13.51 pay rate instead of \$13.01 pay rate (40.5 Hours x \$0.50 Overpayment Amount x 0.5 Holiday Rate Increment)	10.12
5 Holiday pay days paid at \$13.51 pay rate instead of \$13.01 pay rate (5 Days x 8 Hours per day x \$0.50 Overpayment Amount)	\$20
Total:	\$694.37

2013

Check Number	Check Date	Over (Under) Payment	Description
6427	February 3, 2013	(\$3.06)	0.5 Hours Overtime paid at regular rate relating to January 14, 2013 (0.5 Hours x \$12.26 Rate of Pay x 0.5 Overtime Rate)
6787	September 30, 2013	98.08	8 Hours overpaid as a result of time card support showing 80 hours compared to amount paid of 88 hours (8 Hours x \$12.26 Rate of Pay)
6839	October 31, 2013	9.19	0.5 Hours overpaid and paid at overtime rate relating to October 23, 2013 as a result of timecard supporting 9.5 hours compared to amount being paid of 10 hours (0.5 Hours x \$12.26 pay rate x 1.5 Overtime Rate)
Total:		\$104.21	

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Timothy Phipps in the amount of \$824.59 (\$26.01 + \$694.37 + \$104.21), and in favor of the Scioto Ambulance District General Fund, in the amount of \$824.59.

We recommend that the Scioto Ambulance District monitor payments to employees to ensure that payments are in accordance with the Scioto Ambulance District Handbook and Disciplinary Grid and supported by the payroll records of the Scioto Ambulance District.

### FINDING NUMBER 2013-013

#### Noncompliance - Finding for Recovery – John Redoutey

On December 15, 2010, the Scioto Ambulance District Board approved the Scioto Ambulance District Handbook and Disciplinary Grid. The purpose clause of the handbook indicated all Scioto Ambulance District Squad 2 employees are subject to these standards and indicated the Rules herein promulgated, apply uniformly to all employees of the Scioto Ambulance District Squad 2.

Section 18 of the Handbook and Disciplinary Grid addresses holidays and includes the following:

- Those employees who work less than a 32 hour work week are not eligible for holiday pay
- An employee on an alternate work schedule is entitled to the same number of holidays and paid holiday hours as regularly scheduled employees
- In any case no employee shall be entitled to holiday pay over the cost of one eight hour shift

Section 19 of the Handbook and Disciplinary Grid addresses overtime work and indicates hours in active pay status more than 40 hours in any calendar week shall be compensated at the rate of one and one-half times the employees total rate of pay for each hour of time over forty hours.

Section 20 of the Handbook and Disciplinary Grid addresses work week and hours of the week and indicates the regularly scheduled work week for the Scioto Ambulance District starts at 12:00 am on Sunday and ends at 11:59 pm on Saturday.

Employee John Redoutey was paid an additional 11.95 hours at the overtime rate of pay on the March 15, 2012 paycheck (Check # 5861) which was not supported by a time card. This resulted in an overpayment in the amount of \$260.09 (11.95 Hours x \$14.51 pay rate x 1.5 Overtime Rate).

Employee John Redoutey was also paid at the regular rate of \$14.51 for an hour worked in excess of forty hours during the week of March 4, 2012 through March 10, 2012 which resulted in an underpayment in the amount of \$7.25.

Additionally, Employee John Redoutey was paid an additional 11.95 hours at the overtime rate of pay on the July 31, 2012 paycheck (Check # 6091) which was not supported by a time card. This resulted in an overpayment in the amount of \$260.09 (11.95 Hours x \$14.51 pay rate x 1.5 Overtime Rate).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against John Redoutey in the amount of \$512.93 (\$260.09 - \$7.25 + \$260.09), and in favor of the Scioto Ambulance District General Fund, in the amount of \$512.93.

We recommend that the Scioto Ambulance District monitor payments to employees to ensure that payments are in accordance with the Scioto Ambulance District Handbook and Disciplinary Grid and supported by the payroll records of the Scioto Ambulance District.

#### FINDING NUMBER 2013-014

##### **Noncompliance - Finding for Recovery Repaid Under Audit – Gary Reynolds**

On December 15, 2010, the Scioto Ambulance District Board approved the Scioto Ambulance District Handbook and Disciplinary Grid. The purpose clause of the handbook indicated all Scioto Ambulance District Squad 2 employees are subject to these standards and indicated the Rules herein promulgated, apply uniformly to all employees of the Scioto Ambulance District Squad 2.

Section 18 of the Handbook and Disciplinary Grid addresses holidays and includes the following:

- Those employees who work less than a 32 hour work week are not eligible for holiday pay
- An employee on an alternate work schedule is entitled to the same number of holidays and paid holiday hours as regularly scheduled employees
- In any case no employee shall be entitled to holiday pay over the cost of one eight hour shift

Section 19 of the Handbook and Disciplinary Grid addresses overtime work and indicates hours in active pay status more than 40 hours in any calendar week shall be compensated at the rate of one and one-half times the employees total rate of pay for each hour of time over forty hours.

Section 20 of the Handbook and Disciplinary Grid addresses work week and hours of the week and indicates the regularly scheduled work week for the Scioto Ambulance District starts at 12:00 am on Sunday and ends at 11:59 pm on Saturday.

Employee Gary Reynolds was paid an additional eight hours at the regular rate of pay on the January 31, 2012 paycheck (Check # 5795) for holiday pay however during the week of Sunday January 15, 2012 through Saturday January 21, 2012 payroll records show the employee worked 24 hours which is less than the required 32 hours to be eligible for holiday pay. This resulted in an overpayment in the amount of \$116.08 (8 Hours x \$14.51 pay rate).

Employee Gary Reynolds was paid an additional eight hours at the regular rate of pay on the February 29, 2012 paycheck (Check # 5849) for holiday pay however during the week of Sunday February 19, 2012 through Saturday February 25, 2012 payroll records show the employee worked 23 hours which is less than the required 32 hours to be eligible for holiday pay. This resulted in an overpayment in the amount of \$115.60 (8 Hours x \$14.45 pay rate).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Gary Reynolds in the amount of \$231.68 (\$116.08 + \$115.60), and in favor of the Scioto Ambulance District General Fund, in the amount of \$231.68.

On February 27, 2016, Gary Reynolds repaid the Scioto Ambulance District \$231 which was posted to the District's accounting system on March 2, 2016 via receipt number 28-2016.

We recommend that the Scioto Ambulance District monitor payments to employees to ensure that payments are in accordance with the Scioto Ambulance District Handbook and Disciplinary Grid and supported by the payroll records of the Scioto Ambulance District.

#### **FINDING NUMBER 2013-015**

##### **Noncompliance - Finding for Recovery Repaid Under Audit – Ralph Carver**

On December 15, 2010, the Scioto Ambulance District Board approved the Scioto Ambulance District Handbook and Disciplinary Grid. The purpose clause of the handbook indicated all Scioto Ambulance District Squad 2 employees are subject to these standards and indicated the Rules herein promulgated, apply uniformly to all employees of the Scioto Ambulance District Squad 2.

Section 47 addresses wages and Board Members are indicated as salaried for \$75 per meeting up to 15 meetings per year. This represents a total of \$1,125 per year.

For 2012 Board Member Ralph Carver was paid \$1,350 which exceeds the maximum amount of \$1,125 by \$225 which represents an overpayment in the allowed salary amount.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Ralph Carver in the amount of \$225, and in favor of the Scioto Ambulance District General Fund, in the amount of \$225.

On February 25, 2016, Ralph Carver repaid the Scioto Ambulance District \$225 which was posted to the District's accounting system on February 25, 2016 via receipt number 27-2016.

We recommend that the Scioto Ambulance District monitor payments to employees to ensure that payments are in accordance with the Scioto Ambulance District Handbook and Disciplinary Grid and supported by the payroll records of the Scioto Ambulance District.

#### **FINDING NUMBER 2013-016**

##### **Noncompliance - Finding for Recovery – Stephanie Jones**

On December 15, 2010, the Scioto Ambulance District Board approved the Scioto Ambulance District Handbook and Disciplinary Grid. The purpose clause of the handbook indicated all Scioto Ambulance District Squad 2 employees are subject to these standards and indicated the Rules herein promulgated, apply uniformly to all employees of the Scioto Ambulance District Squad 2.

Section 18 of the Handbook and Disciplinary Grid addresses holidays and includes the following:

- Those employees who work less than a 32 hour work week are not eligible for holiday pay
- An employee on an alternate work schedule is entitled to the same number of holidays and paid holiday hours as regularly scheduled employees
- In any case no employee shall be entitled to holiday pay over the cost of one eight hour shift

Section 19 of the Handbook and Disciplinary Grid addresses overtime work and indicates hours in active pay status more than 40 hours in any calendar week shall be compensated at the rate of one and one-half times the employees total rate of pay for each hour of time over forty hours.

Section 20 of the Handbook and Disciplinary Grid addresses work week and hours of the week and indicates the regularly scheduled work week for the Scioto Ambulance District starts at 12:00 am on Sunday and ends at 11:59 pm on Saturday.

**FINDING NUMBER 2013-016  
 (Continued)**

We noted the following in testing Employee Stephanie Jones' payroll for 2013:

Check Number	Check Date	Over (Under) Payment	Description
6420	February 3, 2013	\$588.48	48 Hour overpayment as a result of time card support indicating 32 hours compared to amount paid of 80 hours (48 Hours x \$12.26 Rate of Pay)
6456	February 28, 2013	98.08	8 Hour overpayment as a result of February 16, 2013 being included on both the February 15, 2013 payment and the February 28, 2013 payment (8 Hours x \$12.26 Rate of Pay)
6456	February 28, 2013	(24.52)	2 Hour underpayment resulting from Time and Pay Record Sheet include reduction for two hours indicated as overpayment (2 Hours x \$12.26 Rate of Pay)
6456	February 28, 2013	98.08	Received holiday pay for February 18, 2013 however worked 24 hours during week which is less than 32 hours required to be eligible to receive holiday pay. (8 Hours x \$12.26 Rate of Pay)
6476	March 15, 2013	(24.52)	2 Hour underpayment resulting from Time and Pay Record Sheet include deduction for two hours (2 Hours x \$12.26 Rate of Pay)
6525	April 16, 2013	(61.30)	5 Hour underpayment resulting from Time and Pay Record Sheet including reduction indicated as 5 hours off (5 Hours x \$12.26 Rate of Pay)
6547	April 30, 2013	(42.91)	3.5 Hour underpayment resulting from Time Cards reflecting a total of 33.5 hours compared to number of hours paid for of 30 (3.5 Hours x \$12.26 Rate of Pay)
6570	May 15, 2013	(36.78)	3 Hour underpayment resulting from Time Cards reflecting a total of 40 hours compared to number of hours paid for of 37 (3 Hours x \$12.26 Rate of Pay)
6604	May 31, 2013	(61.30)	5 Hour underpayment resulting from Time Cards reflecting a total of 40 hours compared to number of hours paid for of 35 (5 Hours x \$12.26 Rate of Pay)
6613	May 31, 2013	98.08	Separate check issued to employee for 8 hours at \$12.26 rate of pay which was not supported by time card resulting in 8 hour overpayment. Employee worked 16.5 hours during week of Sunday May 26, 2013 through Saturday June 1, 2013 which is less than the 32 hours required to be eligible to receive holiday pay. (8 Hours x \$12.26 Rate of Pay)
6625	June 15, 2013	(24.52)	2 Hour underpayment resulting from Time and Pay Record Sheet including reduction indicated as 2 off (2 Hours x \$12.26 Rate of Pay). Time cards reflect 57.5 hours compared to number paid of 55.5
6646	June 30, 2013	(24.52)	2 Hour underpayment resulting from Time and Pay Record Sheet including reduction indicated as 2 hours for overpayment. (2 Hours x \$12.26 Rate of Pay)

**FINDING NUMBER 2013-016  
 (Continued)**

6646	June 30, 2013	98.08	Received holiday pay for July 4, 2013 however worked 18 hours during week which is less than 32 hours required to be eligible to receive holiday pay. (8 Hours x \$12.26 Rate of Pay)
6660	July 15, 2013	(12.26)	One hour net underpayment as a result of 2 Hour underpayment resulting from time card showing reduction of 2 hours and 1 hour overpayment as a result of time cards reflecting 36 hours compared to 37 amount used by District prior to 2 hour reduction. (1 Hour x \$12.26 Rate of Pay)
6700	August 15, 2013	(24.52)	2 Hour underpayment resulting from Time Cards reflecting a total of 32 hours compared to number of hours paid for of 30 (2 Hours x \$12.26 Rate of Pay)
6811	October 15, 2013	98.08	Received holiday pay for October 14, 2013 however worked 12 hours during week which is less than 32 hours required to be eligible to receive holiday pay. (8 Hours x \$12.26 Rate of Pay)
Total:		\$741.73	

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Stephanie Jones in the amount of \$741.73, and in favor of the Scioto Ambulance District General Fund, in the amount of \$741.73.

We recommend that the Scioto Ambulance District monitor payments to employees to ensure that payments are in accordance with the Scioto Ambulance District Handbook and Disciplinary Grid and supported by the payroll records of the Scioto Ambulance District.

**Officials' Response:**

The Scioto Ambulance Board addressed the audit findings at the regular board meeting held the 20<sup>th</sup> day of April, 2016. Scioto Ambulance District audit for the 2012-2013 year was done by the prior clerk and since hired a new clerk. The Scioto Ambulance District will strive to correct time card issues, employee handbook to be revised and information for employees to report fraud and any other issues. Scioto Ambulance District will strive to correct all findings that have not been corrected as of today.

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# Dave Yost • Auditor of State

**SCIOTO AMBULANCE DISTRICT**

**SCIOTO 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 17, 2016**