



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA
Auditor of State

Indian Lake EMS Joint Ambulance District
Logan County
301 North Oak Street
Lakeview, Ohio 43331

To the Board of Trustees:

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 10, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Indian Lake EMS Joint Ambulance District
Logan County
301 North Oak Street
Lakeview, Ohio 43331

To the Board of Trustees:

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

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

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

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

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

As disclosed in Note 2, the January 1, 2008 General Fund balance has been restated to include the balance of a certificate of deposit held by the Cemetery at December 31, 2007.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 10, 2010

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

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

Cash Receipts:

Taxes	\$263,429
Intergovernmental	58,923
Payment in Lieu of Taxes	4,677
Charges for Services	275,891
Interest	8,151
Miscellaneous	29
Total Cash Receipts	<u>611,100</u>

Cash Disbursements:

Current Disbursements:

Net Wages	173,232
Fringes	130,081
Utilities	6,644
Communications	7,605
Professional Services	21,536
Contractual Services	5,496
Maint Equipment	12,318
Insurance	6,732
Supplies Maint	8,615
Office	1,505
Supplies Operations	1,400
Maint Building	1,656
Fuel	9,293
Equipment / Capital Outlay	22,044
Land Improvements	4,062
Dues	697
Advertising	350
Continue - Education	1,883
Bank Charges	615
Total Cash Disbursements	<u>415,764</u>
Total Receipts Over Cash Disbursements	195,336
Fund Cash Balance, January 1	<u>543,804</u>
Fund Cash Balance, December 31	<u><u>\$739,140</u></u>

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

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

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

Cash Receipts:

Taxes	\$250,309
Intergovernmental	55,543
Payment in Lieu of Taxes	5,229
Charges for Services	283,327
Interest	16,154
Miscellaneous	9,421
Total Cash Receipts	<u>619,983</u>

Cash Disbursements:

Current Disbursements:

Net Wages	148,067
Fringes	113,448
Utilities	5,028
Communications	6,937
Professional Services	16,265
Maint Equipment	10,311
Insurance	5,898
Supplies Maint	1,002
Office	2,878
Supplies Operations	7,643
Maint Building	993
Fuel	14,153
Equipment / Capital Outlay	229,111
License	385
Dues	86
Continue - Education	3,370
Bank Charges	333
Total Cash Disbursements	<u>565,908</u>

Total Receipts Over Cash Disbursements 54,075

Fund Cash Balance, January 1 (Restated - Note 2) 489,729

Fund Cash Balance, December 31 \$543,804

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Indian Lake EMS Joint Ambulance District, Logan County (the District), as a body corporate and politic. A four-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Stokes Township, Washington Township, the Village of Lakeview, and the Village of Russells Point. The District provides emergency medical and ambulance services within the District.

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

B. Accounting Basis

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

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

C. Cash and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The District values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

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

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated. The District did not use the encumbrance method of accounting.

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

F. Property, Plant, and Equipment

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

2. RESTATEMENT OF BEGINNING BALANCE

The District failed to report the balance of a certificate of deposit in the December 31, 2007 ending balance of the General Fund. This omission had the following effect on previously reported balance:

Fund Balance December 31, 2007	\$414,729
Additional certificate of deposit	<u>75,000</u>
Restated January 1, 2008 Balance	<u><u>\$489,729</u></u>

3. CASH

The District maintains all cash in deposit accounts. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2009	2008
Demand deposits	\$268,913	\$81,684
Certificates of deposit	<u>470,227</u>	<u>462,120</u>
Total deposits	<u><u>\$739,140</u></u>	<u><u>\$543,804</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

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

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

4. BUDGETARY ACTIVITY

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

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$611,100	\$611,100

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$465,500	\$415,764	\$49,736

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$619,983	\$619,983

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$636,950	\$565,908	\$71,042

The District did not certify the total amount from all sources which is available for expenditure from each fund in the tax budget along with any balances that existed at the end of the preceding year for 2009 and 2008. This violated the requirements of Ohio Revised Code Section 5705.36(A)(1).

The District did not obtain an amended certificate of estimated resources for 2009 or 2008. Therefore, for each year, estimated resources equaled \$0. Based upon this, in 2009, appropriations exceeded estimated resources by \$465,500 and in 2008 appropriations exceeded estimated resources by \$636,950. This violated the requirements of Ohio Revised Code Section 5705.39.

The District did not either obtain prior certification before obligating funds or utilize the "Then and Now" certification option after the obligation was made. This violated the requirements of Ohio Revised Code Section 5705.41(D).

5. 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.

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

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

5. PROPERTY TAX (Continued)

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

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

6. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% 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, 2009.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

8. RELATED PARTY

The District Clerk's husband processes ambulance billings for the District for a fee of 6% of the ambulance run receipts. Total fees paid were \$15,990 in 2009 and \$12,750 in 2008.



Mary Taylor, CPA

Auditor of State

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

Indian Lake EMS Joint Ambulance District
Logan County
301 North Oak Street
Lakeview, Ohio 43331

To the Board of Trustees:

We have audited the financial statements of the Indian Lake EMS Joint Ambulance District, Logan County (the District), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 10, 2010, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted that the January 1, 2008 General Fund balance was restated to include the balance of a certificate of deposit held by the District at December 31, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-002 through 2009-004.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated September 10, 2010.

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

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

Mary Taylor, CPA
Auditor of State

September 10, 2010

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

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-001

Material Weakness

Financial Reporting

The annual financial statements of the District should be presented in a manner that is consistent with the presentation used by governmental entities and should be supported by the underlying detailed subsidiary records.

The District prepared a 2008 year-end summary financial statement. The 2008 summary documented receipts by total only (no line item classifications). The District did not maintain a detailed receipts ledger which documented, for each receipt amount received, the following information: a) the source of the receipt (payor's name), b) the receipt date, c) the receipt amount, and d) the classification of the receipt. The reported 2008 receipts per the summary were \$592,408; this receipt total did not include a PERS refund of \$9,421 and certificate of deposit interest of \$16,154. The inclusion of the refund and interest receipts increased the 2008 receipts total to \$619,983. The District's 2008 receipts were reclassified as follows: a) Taxes \$250,309; b) Intergovernmental Revenue \$55,543; c) Payment in Lieu of Taxes \$5,229; d) Charges for Services \$283,327; e) Interest \$16,154; and f) Miscellaneous Revenue \$9,421.

The 2008 summary documented the expenditures by line item classification. However, a footing & cross-footing of the subsidiary monthly records identified several differences between the reported summary totals and the totals per the subsidiary records. The aggregate expenditures per the summary overstated expenditures by \$58 when compared to the expenditures documented on the subsidiary records; however, bank charges of \$333 assessed against the payroll checking account were not reported as expenditures. This resulted in a net understatement of expenditures in the amount of \$275. In addition, the amount reported as "Wages" was actually the transfers from the regular checking account to the payroll checking account and was not the actual disbursements for payroll. The reported "Wages" amount per the summary was \$139,375 and the actual aggregate expenditure for payroll from the payroll checking account was \$148,067; the difference is "Wages" was understated by \$8,692. The aggregate understatement is \$8,967.

The beginning and ending balances per the 2008 financial statement summary were the balances of the regular checking account; the balances of the payroll checking account and the certificates of deposit were not reported in the balance totals. The beginning balance, after the inclusion of the payroll checking account balance and the aggregate certificate of deposit balances did not agree to the prior report's ending balance. The District did not report a \$75,000 certificate of deposit in the December 31, 2007 ending fund balance or the beginning January 1, 2008 balance. The ending fund balance was adjusted for the balances of the payroll checking account balance and the certificates of deposit; the aggregate total of the adjustment was \$448,422.

**FINDING NUMBER 2009-001
(Continued)**

The District prepared a 2009 year-end summary financial statement. The 2009 summary documented receipts by total only (no line item classifications) even though the Clerk maintains a manual detailed receipts ledger which documents receipts either as "Governmental" or "Ambulance". The manual ledger documents the following information for each receipt amount received: a) the source of the receipt (payor's name), b) the receipt date, and c) the receipt amount. The reported 2009 aggregate receipt amount was \$673,929. This amount included the receipt totals from the months of August 2009 and September 2009 more than once; the net overstatement due to this factor was \$70,965. After adjusting for this overstatement, the remaining receipts were \$602,964. This adjusted receipts amount did not include the 2009 certificate of deposit interest of \$8,107 or a NSF fee receipt of \$29. The inclusion of the interest receipts (\$8,107) and NSF fee receipt (\$29) resulted in an adjusted 2009 receipt total of \$611,100. The District's 2009 receipts were reclassified as follows: a) Taxes \$263,429; b) Intergovernmental Revenue \$58,923; c) Payment in Lieu of Taxes \$4,677; d) Charges for Services \$275,891; e) Interest \$8,151; and f) Miscellaneous Revenue \$29.

The 2009 summary documented the expenditures by line item classification. The 2009 amount reported as "Wages" (\$238,206) was the actual gross pay from the weekly payroll sheets. The District also reported on its financial statement the "Fringes" line account which represented the remittance of both employee withholdings. By reporting gross payroll in the "Wages" line account, the District overstated the total expenditures by the amount of employee withholdings remitted per the "Fringes" line account. Therefore, the amount reported as "Wages" should be the amount remitted for net wages rather than gross wages so that employee withholdings remitted will not be reported twice. In 2009, net wages were \$173,232 meaning the District overstated expenditures for the "Wages" line account by \$64,974.

The District did not report beginning or ending balances on its 2009 financial statement. The adjusted financial statement amounts are \$534,804 at January 1, 2009 and \$739,140 at December 31, 2009.

The accompanying financial statements have been adjusted to properly reflect the financial activity and balances of the District.

The failure to prepare financial statements that are consistent with the presentation used by governmental entities not only inhibits the user's ability to fully understand the results of operations but may also result in material financial statement reporting errors and may cause erroneous financial decisions by the District. Additionally, the amounts reported on the financial statements should be supported by the detailed underlying subsidiary records.

The District Clerk should utilize accounting resources such as those provided on the Auditor of State website to help with the recording of receipts and expenditures and the preparation of the annual financial statements. In addition, the District should review Ohio Administrative Code Section 117-2-02(D) for guidance in maintaining receipt and disbursement ledgers which will assist in the preparation of annual financial statements. The Board should review the revenue and expenditure reports to help identify reporting errors. In addition, the Board should review the annual financial statements to help assure that they correctly report the activity and balances of the District.

FINDING NUMBER 2009-002

Noncompliance Citation

Ohio Rev. Code Section 117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. Also, 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 a financial report with the Auditor of State's office for the years ending December 31, 2009 or December 31, 2008. In addition, the District did not publish notice in a local newspaper stating the financial report is available for public inspection at the District's office. Publication of this notice provides the citizens of the District information regarding these records.

The Board of Trustees should monitor the completion of the annual financial reports to help assure timely filing and publication and to prevent possible penalties.

FINDING NUMBER 2009-003

Noncompliance Citation

Ohio Rev. Code Section 5705.36(A)(1) states, in part, that on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources which is available for expenditure from each fund in the tax budget along with any balances that existed at the end of the preceding year and the official certificate of estimated resources. **Ohio Rev. Code Section 5705.39** states that the total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

The District did not certify, in 2009 or 2008, the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year. As a result, the District did not receive a certificate of estimated resources from the county auditor as basis for adopting appropriations. Therefore, for 2009 and 2008, the District's estimated resources were \$0. This resulted in the 2009, appropriations exceeding estimated resources by \$465,500, and the 2008 appropriations exceeding estimated resources by \$636,950.

The failure to complete required budgetary documents not only impacted the county auditor's ability to fulfill budgetary procedures, but it also impacted the District's ability to make sound budgetary decisions.

The District should review the Ohio Compliance Supplement and then develop a checklist that identifies the required filing dates for budgetary documents. This checklist should then be utilized to help assure the timely approval and filing of budgetary documents. After the receiving approval from the county auditor that appropriations do not exceed estimated resources, the final budgeted information should be entered into the accounting system. The Clerk should then periodically provide the Board with budget versus actual revenue and expenditure reports.

FINDING NUMBER 2009-004

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or give any 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 such a commitment 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 subdivision can authorize the drawing of a warrant for the payment of the amount due. The subdivision 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 subdivision.

2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates not exceeding an amount established by resolution or ordinance adopted by the legislative authority against any specific line item account over a period not running beyond the end of the year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket certificate** – The subdivision may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

The District did not certify expenditures during 2009 and 2008.

To improve controls over disbursements, to help reduce the possibility of the District's funds exceeding budgetary spending limitations, and to reduce financial reporting errors, the District's Fiscal Officer should certify that the funds are or will be available prior to the obligation by the District. When prior certification is not possible, "then and now" certification should be used. A review should be performed periodically to help assure that outstanding obligations have been certified and recorded in the budgetary accounting system and on the year-end financial statements.

OFFICIALS' RESPONSE: We did not receive a response from Officials to the findings reported above.

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

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Ohio Admin. Code Section 117-2-02(D)(2) – Maintaining a receipts ledger and properly classifying receipts	No	Similar problems incorporated in Finding 2009-001
2007-002	Ohio Rev. Code Section 117.38 - Filing an annual financial statement with the Auditor of State	No	Repeat as Finding 2009-002
2007-003	Ohio Rev. Code Section 5705.36(A)(1) – Certification of ending balances	No	Repeat as Finding 2009-003
2007-004	Ohio Rev. Code Section 5705.38(A) – Passage of annual appropriations	Yes	
2007-005	Ohio Rev. Code Section 5705.41(D)	No	Repeat as Finding 2009-004

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Mary Taylor, CPA
Auditor of State

INDIAN LAKE EMS JOINT AMBULANCE DISTRICT

LOGAN 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
OCTOBER 7, 2010**