

SCIOTO AMBULANCE DISTRICT
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020



Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.milhuffstangcpa.com



65 East State Street
 Columbus, Ohio 43215
 ContactUs@ohioauditor.gov
 800-282-0370

Board of Trustees
 Scioto Ambulance District
 57 Barker Street, PO Box 64
 McDermott, Ohio 45652

We have reviewed the *Independent Auditor’s Report* of the Scioto Ambulance District, Scioto County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Late Payments FFR

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

During 2021 and 2020, the Scioto Ambulance District was assessed penalties and late fee charges for late payments of invoices, taxes, and retirement contributions.

The following table details the late fees and penalties:

Penalties and Late Fee Payments	2021	2020
Stryker	\$ 330	\$ 273
Ohio Public Employees Retirement System	450	17
Ohio Department of Taxation	-	4,651
Internal Revenue Service	120	120
Total Penalties and Late Fees	\$ 900	\$ 5,061

The payment of late fees and penalties due to the inability of the Fiscal Officer to make timely payment is not a proper public purpose.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010). The penalties and late fees above were incurred while Tracy Mullins was Fiscal Officer of the District.

Board of Trustees
Scioto Ambulance District
57 Barker Street, PO Box 64
McDermott, Ohio 45652
Page -2-

In accordance with the forgoing facts and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Tracy Mullins, Fiscal Officer and her bonding company Travelers Casualty and Surety Company, jointly and severally, in the amount of \$5,961 and in favor of the Scioto Ambulance District's General Fund.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Scioto Ambulance District is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2024

Scioto Ambulance District
Table of Contents
For the Years Ended December 31, 2021 and 2020

Title	Page
Independent Auditor’s Report.....	1
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance – Governmental Fund Type – For the Year Ended December 31, 2021	4
Notes to the Financial Statements – For the Year Ended December 31, 2021	5
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance – Governmental Fund Type – For the Year Ended December 31, 2020	10
Notes to the Financial Statements – For the Year Ended December 31, 2020.....	11
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	17
Schedule of Findings and Responses	19
Schedule of Prior Audit Findings.....	24

This page intentionally left blank.

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Scioto Ambulance District, Scioto County, Ohio (the District) which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2021, and 2020, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matters

The accompanying financial statements have been prepared assuming that the District will continue as a going concern. As discussed in Note 9 to the financial statements, the District has federal and state tax liabilities greater than its cash balance as of December 31, 2021 and 2020, and the District has been ordered to distribute money or in kind valued at \$148,168 to Union Township, Scioto County. The District is in the process of working with legal counsel and Union Township on a settlement agreement. Note 9 describes management's plans regarding these matters. These unpaid balances may raise substantial doubt about the District's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of these uncertainties. We did not modify our opinion regarding these matters.

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

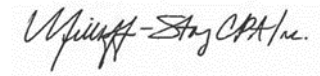
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

May 8, 2024

Scioto Ambulance District
*Statement of Cash Receipts, Cash Disbursements and
 Changes in Fund Cash Balance*
 Governmental Fund Type
 For the Year Ended December 31, 2021

	<u>General Fund</u>
Cash Receipts:	
Property and Other Local Taxes	\$174,567
Charges for Services	135,013
Intergovernmental	26,489
Earnings on Investments	35
Miscellaneous	3,565
Total Cash Receipts	339,669
Cash Disbursements:	
Current Disbursements:	
Public Safety	351,904
General Government	370
Total Cash Disbursements	352,274
Net Change in Fund Cash Balance	(12,605)
Fund Cash Balance, January 1	32,756
Fund Cash Balance, December 31	\$20,151

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

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting 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. The District is made up of four participating entities: Morgan Township, Otway Village, Rush Township, and Brush Creek Township. Each township within the District appoints one member to the Board. 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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The fund of the District is presented below:

General Fund – The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The District reports only the general fund.

Basis of Accounting

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(C). 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(C) permit.

Budgetary Process

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

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.

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
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

A summary of the 2021 budgetary activity appears in note 3.

Deposits

The District has one checking account with a local financial institution.

Capital Assets

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

Fund Balances

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:

Nonspendable – The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

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.

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.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in note 10.

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$466,250	\$339,669	(\$126,581)

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$335,298	\$420,032	(\$84,734)

Note 4 – Deposits

The District maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31, 2021 was as follows:

Demand Deposits	\$20,151
-----------------	----------

Deposits – Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction 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.

Note 6 – Risk Management

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2021

property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plan and Postemployment Benefits

Ohio Public Employees Retirement System

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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4 percent during calendar year 2021.

Note 8 – Contingent Liabilities

Litigation

The District is not currently party to litigation.

Grants

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Other Contingencies

In 2012, Union Township, Scioto County, withdrew from the District and in the years since, the organizations have been working to gather information necessary for the County Auditor to assess a valuation on assets in order to determine the portion to which Union Township is entitled. In 2018, the County Auditor finalized the valuation and

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2021

ordered that \$148,168 in money or in kind was due to Union Township. The District has yet to distribute cash or assets equaling this value and is currently working with legal counsel on a potential settlement with Union Township.

Note 9 – Going Concern

As discussed in note 8, the District has been ordered to distribute money or in kind valued at \$148,168 to Union Township, Scioto County. The District is in the process of working with legal counsel and Union Township on a settlement agreement.

The District had outstanding balances for federal and state payroll tax withholdings and employer payroll taxes in the amounts of \$224,204 and \$6,666, respectively, at December 31, 2021, which includes \$201,035 and \$2,197, respectively, from years prior to 2021.

The District experienced a decrease in fund balance during 2021 of \$12,605. Additionally, these outstanding tax balances and contingent liabilities are greater than the District's fund cash balance at December 31, 2021. The District is monitoring operations and expenditures to address these conditions. The District also plans to run a replacement levy on its current voted levy to increase property tax revenues. See Note 13 for additional information.

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Outstanding Encumbrances	<u>General</u> \$67,758
--------------------------	----------------------------

In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 – Compliance

The District had expenditures in excess of appropriations at year-end, which is contrary to Ohio Revised Code Section 5705.41(B). The District did not properly report or remit state and federal payroll taxes, which is contrary to Internal Revenue Code (IRC) Chapter 26 Sections 3401, 3402, 3403, 3404, 3405, and 3102(a). The District did not timely report or remit retirement contributions, which is contrary to Ohio Revised Code Section 145.47(B). The District did not properly prepare and maintain the minute record, which is contrary to Ohio Revised Code Section 121.22(C).

Note 13 – Subsequent Event

In November 2022, the District passed a replacement levy to replace the 3 mill voted levy passed in 1996.

Scioto Ambulance District
*Statement of Cash Receipts, Cash Disbursements and
 Changes in Fund Cash Balance*
 Governmental Fund Type
 For the Year Ended December 31, 2020

	<u>General Fund</u>
Cash Receipts:	
Property and Other Local Taxes	\$170,023
Charges for Services	136,855
Intergovernmental	32,165
Earnings on Investments	197
Miscellaneous	17,607
Total Cash Receipts	356,847
Cash Disbursements:	
Current Disbursements:	
Public Safety	365,174
Total Cash Disbursements	365,174
Excess of Cash Receipts Under Cash Disbursements	(8,327)
Other Financing Receipts:	
Proceeds from Sale of Assets	4,500
Total Other Financing Receipts	4,500
Net Change in Fund Cash Balance	(3,827)
Fund Cash Balance, January 1	36,583
Fund Cash Balance, December 31	\$32,756

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

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting 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. The District is made up of four participating entities: Morgan Township, Otway Village, Rush Township, and Brush Creek Township. Each township within the District appoints one member to the Board. 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The fund of the District is presented below:

General Fund – The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The District reports only the General Fund.

Basis of Accounting

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(C). 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(C) permit.

Budgetary Process

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

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.

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
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

A summary of the 2020 budgetary activity appears in note 3.

Deposits

The District has one checking account with a local financial institution.

Capital Assets

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

Fund Balances

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 resources in governmental funds. The classifications are as follows:

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

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.

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.

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 the District Trustees or a District official delegated that authority by resolution, or by State statute.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in note 10.

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$431,500	\$361,347	(\$70,153)

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$491,924	\$425,072	\$66,852

Note 4 – Deposits

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits. A summary of the District’s deposit account is as follows:

Demand Deposits	\$32,756
-----------------	----------

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 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 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.

Note 6 – Risk Management

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2020

property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$5,296,707</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plan and Postemployment Benefits

Ohio Public Employees Retirement System

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. 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, 2020.

Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members was 0% during 2020.

Note 8 – Contingent Liabilities

Litigation

The District is not currently party to litigation.

Grants

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2020

Other Contingencies

In 2012, Union Township, Scioto County, withdrew from the District and in the years since, the organizations have been working to gather information necessary for the County Auditor to assess a valuation on assets in order to determine the portion to which Union Township is entitled. In 2018, the County Auditor finalized the valuation and ordered that \$148,168 in money or in kind was due to Union Township. The District has yet to distribute cash or assets equaling this value and is currently working with legal counsel on a potential settlement with Union Township.

Note 9 – Going Concern

As discussed in note 8, the District has been ordered to distribute money or in kind valued at \$148,168 to Union Township, Scioto County. The District is in the process of working with legal counsel and Union Township on a settlement agreement.

The District had outstanding balances for federal and state payroll tax withholdings and employer payroll taxes in the amounts of \$213,216 and \$11,919, respectively, at December 31, 2020, which includes \$201,108 and \$7,269, respectively, from years prior to 2020.

The District experienced a decrease in fund balance during 2020 of \$3,827. Additionally, these outstanding tax balances and contingent liabilities are greater than the District's fund cash balance at December 31, 2020. The District is monitoring operations and expenditures to address these conditions. The District also plans to run a replacement levy on its current voted levy to increase property tax revenues. See Note 13 for additional information.

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

	<u>General</u>
Outstanding Encumbrances	\$59,898

In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 – Compliance

The District had appropriations in excess of estimated resources at year-end, which is contrary to Ohio Revised Code Section 5705.39. The District did not properly report or remit state and federal payroll taxes, which is contrary to Internal Revenue Code (IRC) Chapter 26 Sections 3401, 3402, 3403, 3404, 3405, and 3102(a). The District did not timely report or remit retirement contributions, which is contrary to Ohio Revised Code Section 145.47(B). The District did not properly prepare and maintain the minute record, which is contrary to Ohio Revised Code Section 121.22(C).

Scioto Ambulance District
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 13 – Subsequent Event

In November 2022, the District passed a replacement levy to replace the 3 mill voted levy passed in 1996.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Scioto Ambulance District, Scioto County, Ohio (the District) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, and have issued our report thereon dated May 8, 2024, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the accompanying financial statements have been prepared assuming that the District will continue as a going concern. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. 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 corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001, 2021-002, and 2021-007 through 2021-009, that we consider to be material weaknesses.

Report on Compliance and Other Matters

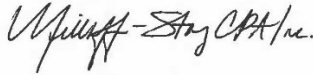
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2021-003 through 2021-006 and 2021-009.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

May 8, 2024

Scioto Ambulance District
Schedule of Findings and Responses
For the Years Ended December 31, 2021 and 2020

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

Finding Number 2021-001

Material Weakness – Financial Reporting

Sound financial reporting is essential to ensure that information provided to the readers of the financial statements is complete and accurate. Accuracy and completeness of financial information is also imperative to ensure that decisions being made are based on adequate data.

The District improperly classified other financing receipts, charges for services, property taxes, intergovernmental receipts, and license, permits, and fees for both 2020 and 2021. In addition, the auditor noted material misclassifications of disbursements improperly recorded as general government and other financing uses instead of public safety for both 2020 and 2021.

Lack or failure of controls over the recording of financial transactions and preparation of financial reports can result in errors or irregularities that may go undetected by management and decreases the reliability of financial information throughout the year.

The District should implement procedures to ensure that financial information is accurately and completely recorded and that financial reports are properly prepared.

District’s Response:

The new fiscal officer has experience in preparation of financial statements which should alleviate this. He has also conducted trainings with the board members on understanding the information presented. Annual training will be provided.

Finding Number 2021-002

Material Weakness – Budgetary Information Within UAN

Accurate budgetary information within the District’s accounting system is pertinent to ensure that the District has accurate and complete information for decision-making processes. We noted a variance between estimated resources and appropriations filed with the County compared to what was in the UAN system for each year of the audit period. Failure to properly maintain budget information within the accounting system could result in adverse implications as decisions by management and the Board may be based on this misinformation. The District should implement the appropriate procedures, such as periodic comparison of authorized budgetary documents to the accounting system, to ensure budgetary information within the accounting system is accurate, complete, and current.

District’s Response:

This is currently being reviewed quarterly and reported appropriately.

Finding Number 2021-003

Noncompliance – Appropriations in Excess of Estimated Resources

Ohio Revised Code Section 5705.39 provides in part that 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 has appropriations in excess of estimated resources at December 31, 2020. The District should implement the appropriate budgetary monitoring procedures to ensure that appropriations do not exceed estimated resources.

Scioto Ambulance District
Schedule of Findings and Responses
For the Years Ended December 31, 2021 and 2020

Finding Number 2021-003 (Continued)

Noncompliance – Appropriations in Excess of Estimated Resources (Continued)

District’s Response:

Appropriations in excess of revenue was corrected on August 1, 2022. This issue was further relieved with the passing of the levy in November 2022.

Finding Number 2021-004

Noncompliance – Expenditures in Excess of Appropriations

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. The District had expenditures in excess of appropriations at December 31, 2021. The District should implement the appropriate budgetary monitoring procedures to ensure that expenditures do not exceed appropriations.

District’s Response:

Appropriations in excess of revenue was corrected on August 1, 2022. This issue was further relieved with the passing of the levy in November 2022.

Finding Number 2021-005

Noncompliance – Payroll Taxes

Internal Revenue Code (IRC) Chapter 26 Sections 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 noted that accrued taxes for the year ended December 31, 2020 in the amount of \$23,897 were paid to the IRS during 2020 and 2021, but that none were paid by the required due date. We also found that \$5,965 in taxes attributed to the year ended December 31, 2019 were also paid in 2020, which was also not timely remitted. We identified unpaid taxes for the year ended December 31, 2021 of \$23,169, plus penalties and interest which could not be determined, relating to federal income tax, Social Security tax and Medicare withholdings not remitted to the federal government for the calendar year. Due to nonpayment of the amounts noted above along with the outstanding balance of \$207,000 from prior years, the District had a total outstanding balance of \$224,204, plus any penalties and interest, in federal taxes at December 31, 2021.

It was also noted that the District could not provide proof that Tax Forms 941 were filed for 2021. Although copies could not be provided, the District was able to request transcripts from the IRS that indicated that 2020 Tax Forms 941 were filed.

Additionally, we identified unpaid taxes for the year ended December 31, 2021 relating to state income tax in the amount of \$4,469. State income taxes for the year ended December 31, 2020 of \$4,650 were paid in 2021, though this payment was not timely. We did find that payments were made for state taxes during the audit period of \$9,959 that were applied to prior years’ delinquencies. Due to nonpayment of the amounts noted above in addition to the outstanding balance of \$12,156 for years prior to the audit period, less amounts paid during the audit period totaling \$14,609, the District has a total outstanding balance of \$6,666, plus any penalties and interest, in state taxes at December 31, 2021.

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

Scioto Ambulance District
Schedule of Findings and Responses
For the Years Ended December 31, 2021 and 2020

Finding Number 2021-005 (Continued)

Noncompliance – Payroll Taxes (Continued)

The Board should adopt policies and procedures to ensure that withholding payments and withholding reports are remitted timely, and support should be maintained on file to evidence performance. We further recommend the Fiscal Officer and District contact the Internal Revenue Service (IRS) and the Ohio Department of Taxation to resolve the outstanding balances owed.

District’s Response:

This is a long outstanding issue. All filings are current for 2022, 2023, and 2024. This included payments. The board is developing a payment plan with the Internal Revenue Service (IRS) to be presented in June 2024. We have been communicating in writing with the IRS without progress.

Finding Number 2021-006

Noncompliance – OPERS Remittances

Ohio Revised Code Section 145.47(B) provides, in part, the fiscal officer of each local authority subject to this chapter, shall transmit to the system for each contributor subsequent to the date of coverage an amount equal to the applicable per cent of each contributor's earnable salary at such intervals and in such form as the system shall require. The head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the system a report of contributions at such intervals and in such form as the system shall require, showing thereon all the contributions and earnable salary of each contributor employed, together with warrants, checks, or electronic payments covering the total of such deductions. A penalty shall be added when such report, together with warrants, checks, or electronic payments to cover the total amount due from the earnable salary of all amenable employees of such employer, is filed thirty or more days after the last day of such reporting period.

Ohio Public Employees Retirement System (OPERS) payroll reports for several months in 2021 and 2020 were not submitted timely. In addition, the withholdings (including both the employee and employer share) for several months in 2021 and 2020 were not remitted timely. Late filings also resulted in penalties and late fees of \$451 and \$18 for 2021 and 2020, respectively. The Fiscal Officer should file the required reports and remit the necessary payments when she completes the payroll for the last pay period of the month. This will ensure the District does not incur unnecessary penalties and late fees.

District’s Response:

The current fiscal officer has established this filing as part of the month-end filing due the subsequent month.

Finding Number 2021-007

Material Weakness – Payroll Controls

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 direct 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. Several timecards also did not have a corresponding time summary and some instances where only time summaries were provided without a corresponding timecard.

Scioto Ambulance District
Schedule of Findings and Responses
For the Years Ended December 31, 2021 and 2020

Finding Number 2021-007 (Continued)

Material Weakness – Payroll Controls (Continued)

- Employees signed off on their own timecard or timesheet and in some instances no supervisory review or approval is documented via signatures or initials.
- There were instances where employees were paid before the end of the pay period. This could result in an employee being paid for time they did not work.
- 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.

These conditions could result in inaccurate employee compensation. The accumulative impact of the issues above have 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 timecards 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 policies and procedures be implemented for the use of the time card system which include procedures on how to address the following: hand-written times on time cards and adherence to time card and time summary requirements.
- 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 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.

District's Response:

The board recognizes that these issues need addressed. They are updating the personnel manual to correct and clarify these issues. The issue related to the lag time was resolved in August 2022. Files have been created regarding payroll related expenses. The board also receives payroll reports monthly for review.

Scioto Ambulance District
Schedule of Findings and Responses
For the Years Ended December 31, 2021 and 2020

Finding Number 2021-008

Material Weakness – Bank Reconciliation

Having sound internal control procedures in place over the reconciliation process is essential to ensure the District's cash balances are accurate. The District utilizes the UAN accounting system which provides all of the required journals and ledgers. The UAN software also includes a monthly reconciliation process to assist the District Fiscal Officer in the monthly book to bank reconciliation. We noted unexplained Other Adjusting Factors on the District's bank reconciliations throughout the audit period, which varied in amount month to month. Further, it was noted there was no indication of review of the monthly reconciliations by another District employee or the Board. We did note that, upon our observation of unbalanced cash balances and discussion with management, the District's new fiscal officer subsequently performed addition procedures, and consulted with Local Government Services, to investigate and resolve cash differences. The District should take due care when performing reconciliations to ensure that information contained therein is accurate and complete. When differences are identified, they should be timely investigated and resolved. Further reconciliations should be reviewed monthly, with indication of the review on each reconciliation.

District's Response:

Bank reconciliations are now completed monthly, and copies are provided to the board. Prior discrepancies have been identified and appropriate adjustments have been made with the 2023 year-end closing.

Finding Number 2021-009

Noncompliance/Material Weakness – Minute Record

Ohio Revised Code Section 121.22(C) requires that the minutes of a regular or special meeting of any public body shall be promptly prepared, filed and maintained and shall be open to public inspection. The District held several meetings in 2020 and 2021 for which official minutes could not be located and provided. In addition, one meeting in 2021 was signed only by the fiscal officer and another meeting was not signed by any official. Lastly, there were several actions of the District that were not documented as adopted or approved by the Board in the minutes available for the audit period. Such actions include personnel changes, compensation changes, and authorization of vacation buy outs by certain employees. We recommend that the District implement the appropriate policies and procedures to ensure that minutes are prepared in a manner to which actions taken by the Board are sufficiently documented, reviewed and approved by the Board to ensure accuracy and completeness, signed to evidence the official copy, and maintained as required by the Ohio Revised Code.

District's Response:

The current fiscal officer prepares the minutes within 48 hours of the meeting with a centralized copy maintained.

Scioto Ambulance District
Schedule of Prior Audit Findings
For the Years Ended December 31, 2021 and 2020

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Finding 2019-001	Material Weakness – Financial Reporting	No	Reissued as finding 2021-001
Finding 2019-002	Material Weakness – Budgetary Information within UAN	No	Reissued as finding 2021-002
Finding 2019-003	Material Weakness – Payroll Controls	No	Reissued as finding 2021-007
Finding 2019-004	Noncompliance – Proper Encumbrance of Funds	Yes	
Finding 2019-005	Noncompliance – Payroll Taxes	No	Reissued as finding 2021-005
Finding 2019-006	Noncompliance – OPERS Remittances	No	Reissued as finding 2021-006
Finding 2019-007	Noncompliance – Annual Report	No	Reported in management letter
Finding 2019-008	Material Weakness – Bank Reconciliation	No	Reissued as finding 2021-008

OHIO AUDITOR OF STATE KEITH FABER



SCIOTO AMBULANCE DISTRICT

SCIOTO COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 7/11/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov