



**Auditor of State  
Betty Montgomery**



**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – General Fund – For the Period January 1, 2003 to April 15, 2003 .....	3
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11
Schedule of Findings.....	13

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Bethel-Tate Joint Ambulance District  
Clermont County  
149 North East Street  
Bethel, Ohio 45106

To the Board of Trustees:

We have audited the accompanying financial statements of Bethel-Tate Joint Ambulance District, Clermont County, Ohio (the District), as of and for the years ended December 31, 2002 and December 31, 2001 and for the period January 1, 2003, through April 15, 2003 (the Period). 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District ceased to operate as of April 15, 2003. The accompanying financial statements for the period January 1, 2001 to April 15, 2003 were prepared on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances and reserves for encumbrances as of April 15, 2003, December 31, 2002 and 2001 and its cash receipts and disbursements for the period and years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

October 16, 2003

**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND  
FOR THE PERIOD JANUARY 1, 2001 TO APRIL 15, 2003**

	<u>April 15, 2003</u>	<u>December 31, 2002</u>	<u>December 31, 2001</u>
<b>Cash Receipts:</b>			
Local Taxes	\$246,661	\$465,996	\$491,279
Intergovernmental	9,845	80,691	63,942
Earnings on Investments	202	451	969
Miscellaneous	1,983	4,498	7,441
Total Cash Receipts	258,691	551,636	563,631
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	152,218	597,149	542,041
Debt Service:			
Loan Repayments	72,000		
Capital Lease Payment		19,541	37,286
Interest	88	625	3,045
Total Disbursements	224,306	617,315	582,372
Total Receipts Over/(Under) Disbursements	34,385	(65,679)	(18,741)
<b>Other Financing Receipts:</b>			
Proceeds from Loan from Village of Bethel		65,000	
Proceeds from Loan from Chief		5,000	
Proceeds from Loan from Trustee		2,000	
Total Other Financing Receipts	0	72,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	34,385	6,321	(18,741)
Fund Cash Balances, Beginning	15,222	8,901	27,642
<b>Fund Cash Balances, Ending</b>	<b>\$49,607</b>	<b>\$15,222</b>	<b>\$8,901</b>
Reserves for Encumbrances	\$61,217	\$10,478	\$1,322

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

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**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2001 TO APRIL 15, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Bethel-Tate Joint Ambulance District, Clermont County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an appointed three-member Board of Trustees. Tate Township and the Village of Bethel each appoint one Board member. The third member is appointed by the District. The District employs a Clerk who is responsible for fiscal control of the resources of the District. The District provides ambulance services and emergency medical services to the Village of Bethel and to Tate Township.

On December 11, 2002 the Tate Township Trustees and the Village of Bethel's Mayor and Clerk-Treasurer signed an agreement to terminate the Bethel-Tate Joint Ambulance District effective April 15, 2003. As described in the agreement, it is the intention of the Tate Township and Village of Bethel that the Bethel-Tate Joint Ambulance District will continue to provide emergency medical services until April 15, 2003, at which time the Emergency Medical Service functions will be assumed by Tate Township.

Effective April 15, 2003, Tate Township would provide emergency medical services throughout the territory in the Township including the Village as part of the operation of the Township Fire Department. Per Ohio Revised Code Section 505.71, upon the dissolution of any joint ambulance district, the county auditor ascertains, apportions, and orders a division of the funds on hand. An agreement between Tate Township and the Village of Bethel stated all tax proceeds of the District collected in 2003 will be distributed to Tate Township.

At dissolution all inventory, equipment, and vehicles were transferred to Tate Township. The District's building was owned by the Village of Bethel and by Tate Township. An appraisal is to be performed on the building and Tate Township will pay half of the appraisal value for the building. A separate account has been established by Tate Township for the remaining cash balance of the District to pay remaining obligations and receipt any revenues due to the District.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. Cash Deposits**

District funds are deposited in a public funds interest bearing checking account with a local commercial bank. The checking account has remained open for outstanding items to clear. On April 16, 2003, the remaining cash balance had been transferred into a separate checking account maintained by Tate Township.

**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2001 TO APRIL 15, 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process**

The Ohio Revised Code requires the District to budget annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function 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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2003, 2002 and 2001 budgetary activity appears in Note 3.

**E. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**F. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation leave. Unpaid vacation leave is not reflected as a liability under the District's basis of accounting.

**2. POOLED CASH DEPOSITS**

The District maintains a cash pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and deposits is as follows:

	<u>April 15, 2003</u>	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Demand deposits	\$49,607	\$15,222	\$8,901

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2001 TO APRIL 15, 2003  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$560,000	\$623,636	\$63,636

2002 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$570,223	\$627,793	(\$57,570)

2001 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$550,000	\$563,631	\$13,631

2001 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$577,642	\$583,694	(\$6,052)

In 2002 and 2001, total budgetary expenditures exceeded total appropriations by \$57,570 and \$6,052, respectively.

The District filed its tax budget for 2003. An amended Certificate of Estimated Resources was not obtained to reflect the dissolution of the District and an appropriation measure was not adopted for the period January 1, 2003 to April 15, 2003.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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.

**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2001 TO APRIL 15, 2003  
(Continued)**

**5. DEBT**

The District entered into a capital lease agreement in February 1997 for two ambulances, with the option to purchase for \$1, plus accrued interest. The capital lease was paid in full as of April 1, 2002. The District purchased the ambulances at the end of the lease.

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003, 2002 and 2001 PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through April 15, 2003.

**7. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The District also provides health insurance to full-time employees through a private carrier.

**8. RELATED PARTY TRANSACTIONS**

The Village of Bethel loaned the District \$65,000 in November 2002 to help pay for operating expenses of the District. The Village of Bethel was repaid in February 2003.

A Trustee of the District loaned the District \$2,000 in December 2002 to help meet District payroll expenses. The Trustee was repaid in February 2003.

The Ambulance Chief loaned the District \$5,000 in October 2002 for a partial payment of the cell phone bill. The Ambulance Chief was repaid in February 2003.

**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2001 TO APRIL 15, 2003  
(Continued)**

**9. STATUS OF RECEIVABLES ON THE DATE OF DISSOLUTION, APRIL 15, 2003**

The District, upon its dissolution, established a separate bank account maintained by the Tate Township Clerk to account for all remaining obligations and to receipt any revenues due the District. Listed below are items received after the date of dissolution that related to operations of the District that have been deposited into this account.

<b>Receipt Type</b>	<b>Amount</b>	<b>Reason</b>
Homestead and Rollback	\$31,346	Received April 16, 2003 from the State for the February 2003 Real Property Tax Settlement.
Personal Property Tax	3,532	Received June 12, 2003 from Clermont County for the May 2003 Personal Property Tax Settlement
Manufactured Homes Tax	967	Received May 28, 2003 and 10/10/03 from Clermont County for the 1 <sup>st</sup> and 2 <sup>nd</sup> Half Manufactured Homes Tax Settlement.
Real Property Tax	221,938	Received August 11, 2003 from Clermont County for the 1 <sup>st</sup> Half Real Property Tax Settlement.
Public Employee Retirement System	6,486	PERS was withheld from termination accumulated leave payments in error. The amount withheld from employees was \$2,506 and the employer portion relating to the payouts is \$3,980. An amended PERS report will be filed requesting the reimbursement
Humana Insurance	4,869	Insurance premiums were paid in full for 2003. On June 16, 2003 Humana prorated and refunded \$4,869 for premiums paid on the cancelled policy.
Kilowatt Tax	9768	Received September 8, 2003 from the State for excise tax levied and imposed on electric distribution companies.
Cell Phone Payments	3232	Received June 27, 2003 from various individuals for outstanding balances on cell phones.
Interest	192	Interest earned monthly on checking account.
Miscellaneous	501	Various amount paid from the following vendors: US Life Insurance, Bound Tree, ECG, US Treasury, Van Pelt Law Offices, and Bureau of Workers Compensation..
<b>Total Receivables</b>	<b><u>\$282,831</u></b>	

The Auditor of State has issued findings for recovery against various individuals. These findings could impact balances transferred to Tate Township (See note 11). Should these monies be recovered, they would also be available for payment of the District's obligations.

**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2001 TO APRIL 15, 2003  
(Continued)**

**10. STATUS OF PAYABLES ON THE DATE OF DISSOLUTION, APRIL 15, 2003**

The District had many payables outstanding as of April 15, 2003. All payables will be paid by Tate Township from the separate account established for District receipts and disbursements. The following is a list of payables as of April 15, 2003:

Federal Withholding Tax	\$ 5,026
Public Employees Retirement System	11,760
State Withholding Tax	812
Nextel – Cell phones	7,572
Arch Paging	846
Pride Insurance	6,269
Bureau of Worker's Compensation	9,598
Communication Center	4,503
Audit Costs	8,011
Unemployment Compensation	4,590
Wichard's	267
Smyth's	44
Andrews Bolden Associates	389
Bethel Board of Public Affairs	513
Clermont County Sewer District	67
Cincinnati Bell	4
Moore Medical	101
AFLAC	50
Bethel-Tate Fire Department (Title Costs)	24
Jubilee Foods	79
T. David Burgess Co., LPA	475
Tiger Natural Gas	<u>217</u>
Total	<u>\$61,217</u>

**11. SUBSEQUENT EVENTS**

Distribution of Monies

The remaining balance in the District's checking account was closed and deposited into a new checking account that is administered by Tate Township. All subsequent receipts of the District will be deposited into this account and all subsequent disbursements of the District will be made from this account with the approval of the County Auditor. Once all receipts have been deposited and all payables have been paid, the balance in the account will be distributed to Tate Township.

Balance transferred to new checking account on April 16, 2003	\$50,099
Plus: Subsequent Receipts from Note 11	282,831
Less: Subsequent Disbursements from Note 12	<u>61,217</u>
Balances to be transferred to Tate Township	<u>\$270,731</u>



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Bethel-Tate Joint Ambulance District  
Clermont County  
149 North East Street  
Bethel, Ohio 45106

To the Board of Trustees:

We have audited the accompanying financial statements of Bethel-Tate Joint Ambulance District, Clermont County, Ohio (the District), for the period January 1, 2001 to April 15, 2003, and have issued our report thereon dated October 16, 2003, where in we noted the District ceased to operate as of April 15, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-001 through 2003-006. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated October 16, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2003-007 and 2003-008.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated October 16, 2003.

This report is intended solely for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

October 16, 2003



**BETHEL-TATE JOINT AMBULANCE DISTRICT  
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE PERIOD JANUARY 1, 2001 TO APRIL 15, 2003**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-001**

**Finding for Recovery**

We reviewed the payroll ledgers for full-time employees and recalculated balances and amounts paid for unused accumulated vacation leave. We traced leave used to time cards. We noted the following deficiencies in the records:

- The payroll ledgers did not record beginning balances and ending balances of leave each year.
- Leave used, accumulated, and leave balances were not always accurate and recorded in the payroll ledgers.
- Time cards were not available for some employees for some pay periods.
- The District does not have a written leave policy.
- Employees' accumulated leave calculations were inconsistent. Some employees were paid for partial accumulations during the year and some were not. One employee was paid accumulated sick leave.
- Contrary to OAC 145-3-07, PERS was withheld from termination accumulated leave payments. The amount withheld from employees was \$2,506 and the employer portion relating to the payouts is \$3,980.

A list of employees underpaid for accumulated leave was given to the Township. We recommend the Township contact the employees to resolve the underpayment. The Township should contact PERS to amend their PERS statements for the employees where retirement was withheld for their accumulated leave payments and return the withheld amount to the employees.

The District minutes from February 27, 2003 note that "Mr. Elliott moved that the amount of vacation time earned and accumulated would be paid upon termination along with final payment of earned wages. Mrs. Richey seconded. All voted yea." Upon discussion with District Officials, we were informed they do not have a written policy for the accrual of vacation leave. We reviewed the payroll records for the accrual of vacation leave and determined that only full-time employees accrued vacation leave.

Kathleen Rose had been the Clerk of the Bethel-Tate Joint Ambulance District for 16 years until the District dissolved on April 15, 2003. There was no clear documentation to show if the Clerk position was considered a full-time position or a part-time position.

In the 2000 payroll ledger, we noted that Ms. Rose had recorded 40 hours of time worked each pay period. For the 2001-2002 payroll ledgers, Ms. Rose was documented as paid for 40 hours each pay period. Each pay period covers two weeks. Normally full time employees work 80 hours each pay period. These payroll records indicate Ms. Rose was a part-time employee. Had she been full-time, she would have worked 80 hours each pay period.

Leave usage and accruals were maintained each pay period for each full time employee; however, the payroll ledger for Ms. Rose never showed an accumulation of vacation leave being recorded to her credit until the District dissolved. When the District dissolved, Ms. Rose recorded 49 weeks of vacation on the ledger and subsequently, Ms. Rose was paid for the 49 weeks of accumulated vacation leave in the net amount of \$8,109. No documentation was presented to support Ms. Rose accumulation and eventual payment of vacation leave.

**FINDING NUMBER 2003-001  
(Continued)**

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery in favor of the Bethel-Tate Joint Ambulance District, in the amount of \$8,109 for the illegal expenditure of public monies, is hereby issued against Kathleen Rose, Clerk; and the Western Surety Company, jointly and severally.

**FINDING NUMBER 2003-002**

**Finding for Recovery**

In January 2002, Chief Melvin Dean entered into an agreement with Nextel on behalf of the Bethel Tate Joint Ambulance District for cellular phone service. The District obtained three cell phones for District purposes. The District also provided phones to employees and non-employees for non District related use. The person receiving a phone had to sign an agreement with the Chief taking responsibility for the phone and for the payments for the assigned phone.

The Nextel bills received by the Joint Ambulance District showed detailed charges for each cell phone. Individuals were not billed separately by Nextel. These Nextel bills were paid by the life squad account, which is a separate account from the JAD account. This account is in the custody of Chief Melvin Dean. An employee of the District kept track of the Nextel billings. He prepared and sent a statement to each person and the District indicating amounts owed each month. The District paid the monthly phone bill for their three cell phones to the life squad account. We found that most of the individuals did not pay their cell phone bill on a monthly basis to the District.

In October 2002, the District Chief loaned the District \$5,000 for a payment to Nextel so the cellular phones would not be turned off. The District repaid the Ambulance Chief in February 2003, with District funds, since money was not collected from individuals to repay the cell phone bills paid by the Ambulance Chief. Thus in effect, the District paid \$5,000 in cell phone bills, on behalf of individuals.

When the District dissolved, many people still owed amounts on cell phone bills which resulted in an outstanding cell phone bill in the amount of \$7,572 for the District. Collections from individuals were made after April 15, 2003 in the amount of \$3,030. The following is a list of individuals who still owe the District money for their cell phone as of the date of this report:

Zach Moler	\$ 202
Jeff & Stephanie Houchin	185
Carl Church	181
Aaron Daugherty	325
Joe Shipley	426
Shane Elliott	497
Henry Dawkins	1,975
Terri & Mike Fox	719
James & Mary Houchin	425
Art Owens	355
Jane Houchin	493
Vicki Davis	144

**FINDING NUMBER 2003-002**  
**(Continued)**

Betty Black	205
Mike Lee	205
Jerry & Laura Evans	795
Dr. Mark Kellam	159
Curtis Large	1,344
Chris Williams	<u>328</u>
Total	<u>\$ 8,963</u>

Outstanding Nextel Bills	\$7,572
District Payment for Nextel Bills	<u>5,000</u>
Total	12,572
Less: Payments received from Individuals	3,030
Less: Finding repaid under audit	137
Less: Amounts under Auditor of State Finding for Recovery policy Threshold (\$100)	<u>442</u>
Total Finding For Recovery	<u>\$ 8,963</u>

In accordance with the foregoing facts, and pursuant to Ohio Revised Code, Section 117.28, a Finding for Recovery in favor of the Bethel-Tate Joint Ambulance District, in the total amount of \$8,963 for the amount due to the District but not collected, is hereby issued against the individuals as listed above; and Melvin Dean, Ambulance Chief, William Elliott, Trustee; Nelda Richey, Trustee; and Rick Stowell, Trustee, and the Western Surety Company, jointly and severally.

1980 Ohio Att’y Gen. Opinion No. 80-074 states that:

“(A) public official who has received public funds or public property under color of office will be held personally liable for losses sustained by the public through theft of monies or property from his office. Clearly, the persons who converted or misappropriated the property are liable therefore. If, however, recovery or restitution is not obtained from such persons those public officials and employees who, in their official capacities, have control over public property will be held personally liable for stolen public property. This reasoning also complies with the public policy as expressed in *Seward v. National Surety Co.* “

The Trustees are named as the statutorily responsible parties only. By including them in the finding for recovery, we are not alleging any wrongdoing on their part.

**Finding Repaid Under Audit**

When the District dissolved, James Padgett still owed an amount on his cell phone bill which resulted in an outstanding cell phone bill in the amount of \$137 for the District. Mr. Padgett repaid \$137 to the District, prior to the issuance of this report.

There were ten individuals who owed the District less than \$100 for their cell phones. The Auditor of State does not require issuance of findings for recovery where the amounts in question aggregate \$100 or less. However, the District was provided with a list of these individuals, and the amounts due, for the District to pursue collection.

**FINDING NUMBER 2003-002  
 (Continued)**

Each individual who had a cellular phone with the District would receive an invoice from the District instead of receiving an invoice from the provider, Nextel. An employee of the District, kept track of the Nextel billings. He would send a statement out to each person indicating the amount owed on his/her bill for that month. When the statements were sent to the people, he did not bill for the proper amount because deductions were made for taxes charged to the person's phone bill, and he also did not give the person the corporate discount. This created minor discrepancies between the Nextel bill per person and the internal bill given to the person from the Joint Ambulance District. This also caused the following individuals to over pay on their cellular phones:

Melvin Dean	\$106
Scott Large	8
Tony Miller	125
David Howe	132
Daniel Head	41
Dave Taylor	<u>70</u>
Total	<u>\$ 482</u>

We recommend the District contact the above individuals to review this information and consult with legal counsel to resolve the overpayment.

**FINDING NUMBER 2003-003**

**Finding for Recovery**

During discussions with the District Chief Melvin Dean, we were told that pagers, obtained under the District's contract with Arch Paging, were provided to employees and family members of employees. Those pagers provided to non-employees were used for personal use and not for business purposes of the District. Individuals were not billed separately, but were included in the District's bill. The District did not collect the money from the individuals for their personal use of the pagers, but instead, the District paid the invoice in full to Arch Paging in amounts of \$6,387 in 2001 and of \$6,139 in 2002.

An inventory list of pagers assigned to individuals was not maintained. Some individuals signed an acknowledgement when they received the pager. We reviewed the Arch Paging billing records to determine the total charges for each pager number. We compiled a list of pager users from the pager acknowledgements. Using the District's minutes and payroll records, we determined whether the users were District employees or volunteers. Forty-one of the pagers were not assigned or acknowledged by a District employee or volunteer. Charges for these 41 non employee, non volunteer pagers amounted to \$6,353. When the trustees reviewed bills for payment, they should have noticed the inflated number of 87 pagers. The trustees have statutory responsibility for approving the bills to determine if made for a proper public purpose. In 2001 and 2002 the District was billed for use of 87 pagers, in the amount of \$12,526. As indicated in the calculation below only \$6,173 of the \$12,526 are legal expenditures, the remaining \$6,353 were expenditures that were not for a proper public purpose.

	Total
Total Amount Billed by Arch Paging	\$12,526
Amount paid for District Employee and District volunteer pagers	<u>6,173</u>
Total Finding for recovery	<u>\$6,353</u>

**FINDING NUMBER 2003-003  
(Continued)**

In accordance with the foregoing facts and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery in favor of the Bethel-Tate Joint Ambulance District, in the amount of \$6,353 for the illegal expenditure of public monies, is hereby issued against Melvin Dean, Ambulance Chief; William Elliott, Trustee; Nelda Richey, Trustee; and Rick Stowell, Trustee, jointly and severally.

1980 Ohio Att’y Gen. Opinion No. 80-074 states that:

“ (A) public official who has received public funds or public property under color of office will be held personally liable for losses sustained by the public through theft of monies or property from his office,...Clearly, the persons who converted or misappropriated the property are liable therefore. If, however, recovery or restitution is not obtained from such persons those public officials and employees who, in their official capacities, have control over public property will be held personally liable for stolen public property. This reasoning also complies with the public policy as expressed in *Seward v. National Surety Co.* “

The Trustees are named as the statutorily responsible parties only. By including them in the finding for recovery, we are not alleging any wrongdoing on their part.

**FINDING NUMBER 2003-004**

**Noncompliance Citation**

Ohio Rev. Code, Section 5705.38, requires on or about the first day of each fiscal year, an appropriation measure to be passed. The District did not pass an appropriation resolution for January 1, 2003 through April 15, 2003. This resulted in expenditures exceeding appropriations in 2003, which is not allowed under Ohio Revised Code, Section 5705.41(B).

**FINDING NUMBER 2003-005**

**Noncompliance Citation**

Ohio Rev. Code, Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision’s fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

- A. Then and Now Certificates- If no certificate is furnished as required, upon receipt of the fiscal officer’s certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Township Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- B. If the amount involved is less than \$1,000 dollars (\$3,000 after April 7, 2003), the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the Township Board, if such expenditure is otherwise valid.

**FINDING NUMBER 2003-005  
(Continued)**

Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made need be certified.

Of the transactions reviewed, purchase orders were not used for expenditures. A voucher was attached to each month's invoices stating the money was available then and is available now for payment. This does not constitute as a Then and Now Certificate. These did not meet the exceptions provided in the Code.

**FINDING NUMBER 2003-006**

**Noncompliance Citation**

Ohio Rev. Code, Section 5705.41(B), prohibits a District from making any expenditure of money unless it has been properly appropriated. The sum of the District's expenditures and encumbrances exceeded appropriations by \$57,570 at December 31, 2002 and \$6,052 at December 31, 2001.

The District's current system of internal control does not address the need for consistent preparation and monitoring of budgetary financial information. The lack of such controls: 1) reduces the District's ability to determine its financial status at any given time; 2) may result in the delay of funds received by the County Auditor; and 3) may result in obligations being incurred without the available resources.

**FINDING NUMBER 2003-007**

**Reportable Condition - Disbursements**

We noted the following control weaknesses in the disbursements cycle:

- There is no written prior approval of expenditures.
- Purchase orders are not being used.
- Invoices are not being signed to state the goods/services have been received.
- Check numbers are not written on the invoices to be able to match checks to invoices.

These weaknesses could result in goods or services being ordered that were not approved, goods and services being paid for that have not been received, or invoices being paid twice.

We recommend the following procedures be applied:

- Purchase requisitions and/or purchase orders should be used to document the approval by a Supervisor to order a good or service.
- Invoices should be signed stating that the goods/services have been received.
- Invoices should be marked with the check number and marked paid.
- The purchase requisition, purchase order, invoice, and a copy of the check should be maintained together and filed.
- Trustees should monitor charges relating to pagers and cell phones to determine if they serve a proper public purpose

**FINDING NUMBER 2003-008**

**Reportable Condition – Monitoring Controls**

An effective monitoring control system has not been implemented to assist management in detecting material misstatements in financial or other information.

Monitoring controls are comprised of regular management and supervisory activities established to oversee whether management's objectives are being achieved. These controls should address operational, legal compliance, and financial control objectives. Effective monitoring controls should identify unexpected results or exceptions (including significant compliance exceptions), investigate underlying causes, and take corrective action. There was no documentation in the minutes that the Board reviewed financial information on a regular basis.

Monitoring controls may be in the nature of ongoing activities or separate periodic evaluation by either management or an internal audit function. They can relate to a specific transaction cycle or can be more overview in nature.

Monitoring controls should assist management in detecting material misstatements in financial or other information and can include:

- regular review of budget and actual expenditures;
- regular review of financial report summaries of sufficient detail (monthly detailed revenue and expenditure reports that includes account codes);
- review of key performance indicators;
- review of revenues/expenditures with independently accumulated information (budgets, past performance, etc.);
- review of unusual or significant items, long outstanding items, etc.;
- identification of unusual fluctuations;
- ensuring an adequate segregation of duties exist;
- review of monthly reconciliations;
- regular review of the payroll register, and;
- regular review of vacation leave balances.







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**BETHEL -TATE JOINT AMBULANCE DISTRICT**

**CLERMONT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 18, 2003**