



**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
HARDIN COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Report of Independent Accountants | 1 |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – General Fund For the Year Ended December 31, 1999 | 3 |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – General Fund For the Year Ended December 31, 1998 | 4 |
| Notes to the Financial Statements | 5 |
| Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 9 |
| Schedule of Findings | 11 |
| Schedule of Prior Audit Findings | 13 |

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Southeastern Hardin Ambulance District
Hardin County
P.O. Box 85
Mt. Victory, Ohio 43340-0085

To the Board of Trustees:

We have audited the accompanying financial statements of the Southeastern Hardin Ambulance District, Hardin County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 prepares its financial statements 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 fund cash balances and reserves for encumbrances of the District, as of December 31, 1999 and 1998, and its cash receipts and disbursements for the 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 August 10, 2000 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.

This report is intended solely for the information and use of the 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, appearing to read "Jim Petro".

Jim Petro
Auditor of State

August 10, 2000

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>General Fund</u> |
|---|----------------------------|
| Cash Receipts: | |
| Local Taxes | \$43,068 |
| Intergovernmental | 9,269 |
| Charges for Services | 15,432 |
| Earnings on Investments | 530 |
| Miscellaneous | 163 |
| | <hr/> |
| Total Cash Receipts | 68,462 |
| | <hr/> |
| Cash Disbursements: | |
| Current: | |
| Public Safety | 24,919 |
| Capital Outlay | 6,033 |
| Debt Service: | |
| Redemption of Principal | 34,000 |
| Interest | 2,893 |
| | <hr/> |
| Total Disbursements | 67,845 |
| | <hr/> |
| Total Receipts Over/(Under) Disbursements | 617 |
| | <hr/> |
| Other Financing Receipts: | |
| Proceeds from Sale of Fixed Asset | 100 |
| Loan Proceeds | 3,475 |
| | <hr/> |
| Total Other Financing Receipts | 3,575 |
| | <hr/> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements | 4,192 |
| Fund Cash Balance January 1 | 4,630 |
| | <hr/> |
| Fund Cash Balance, December 31 | <u><u>\$8,822</u></u> |
| | <hr/> |
| Reserves for Encumbrances, December 31 | <u><u>\$3,933</u></u> |

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

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

| | <u>General Fund</u> |
|---|----------------------------|
| Cash Receipts: | |
| Local Taxes | \$38,842 |
| Intergovernmental | 4,560 |
| Charges for Services | 15,549 |
| Earnings on Investments | 625 |
| Miscellaneous | <u>1,709</u> |
| Total Cash Receipts | <u>61,285</u> |
| Cash Disbursements: | |
| Current: | |
| Public Safety | 26,637 |
| Capital Outlay | <u>78,782</u> |
| Total Disbursements | <u>105,419</u> |
| Total Receipts Over/(Under) Disbursements | (44,134) |
| Other Financing Receipts: | |
| Loan Proceeds | <u>44,568</u> |
| Receipts Over/(Under) Cash Disbursements | 434 |
| Fund Cash Balance January 1 | <u>4,196</u> |
| Fund Cash Balance, December 31 | <u><u>\$4,630</u></u> |
| Reserves for Encumbrances, December 31 | <u><u>\$7,628</u></u> |

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

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Southeastern Hardin Ambulance District, Hardin County, (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 five-member Board of Trustees. The District provides ambulance service for the Villages of Mt. Victory and Ridgeway, and the Townships of Hale, Taylor Creek, Dudley, and Washington.

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. Fund Accounting

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

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Budgetary Process

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

1. Appropriations

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

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The District did not use the encumbrance method of accounting.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investments pool used by the General fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

| | <u>1999</u> | <u>1998</u> |
|-----------------|-------------|-------------|
| Demand deposits | \$ 8,822 | \$ 4,630 |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

| 1999 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | <u>\$ 60,801</u> | <u>\$ 72,037</u> | <u>\$ 11,236</u> |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|--------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | <u>\$ 59,457</u> | <u>\$ 71,778</u> | <u>\$ (12,321)</u> |

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|------------------------------|----------------------------|------------------|
| General | <u>\$ 45,634</u> | <u>\$ 105,853</u> | <u>\$ 60,219</u> |

1998 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|--------------------|
| General | <u>\$ 22,082</u> | <u>\$ 113,047</u> | <u>\$ (90,965)</u> |

The District did not prior certify expenditures in 1999 and 1998 which violates Ohio Rev. Code Section 5705.41(D).

The District had expenditures greater than appropriations at the fund and object level for both 1999 and 1998. This violates the requirements of Ohio Rev. Code Section 5705.41(B).

In 1999 and 1998 the District had actual revenues greater than estimated which violates the requirements of Ohio Rev. Code Section 5705.36.

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.

Public utilities are also taxed on personal and real property located within the District.

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.

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

| | Principal | Interest Rate |
|-------------------------|-----------|------------------|
| Commercial Secured Loan | \$ 14,068 | 6.37% |
| Total | \$ 14,068 | |

The District obtained a commercial secured loan from The Mt. Victory State Bank to finance the purchase of a new ambulance. The loan was obtained on August 20, 1998 in the amount of \$44,568 to mature on August 16, 1999. The loan was secured with the ambulance that was purchased. This loan was renewed on August 16, 1999 in the amount of \$28,568 to mature on August 12, 2000. The loan principal balance at December 31, 1999 was \$14,068.

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

| Year ending December 31: | Commercial Secured Loan |
|-----------------------------|-------------------------------|
| 1999 | \$ 15,031 |
| Total | \$ 15,031 |

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
Suite 2040
Dayton, Ohio 45402

Telephone 937-285-6677
800-443-9274

Facsimile 937-285-6688
www.auditor.state.oh.us

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

Southeastern Hardin Ambulance District
Hardin County
P.O. Box 85
Mt. Victory, Ohio 43340-0085

To the Board of Trustees:

We have audited the accompanying financial statements of the Southeastern Hardin Ambulance District, Hardin County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998 ,and have issued our report thereon dated August 10, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 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 1999-40233-001 through 003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matter involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain 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 August 10, 2000.

Southeastern Hardin Ambulance District,
Hardin County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

August 10, 2000

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-40233-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

No expenditures during 1999 and 1998 included the prior certification of the clerk.

The District should implement procedures to assure compliance with this requirement.

FINDING NUMBER 1999-40233-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

Both in 1998 and 1999 the District expended funds in excess of appropriations for several line items which resulted in the total fund having expenditures in excess of appropriations. Failure to appropriate for expenditures could result in deficit fund balances funds.

The District should monitor budget vs actual expenditures so that expenditures do not exceed appropriations at the fund level or legal level of control. If necessary the District should amend appropriations to help assure compliance with this requirement.

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS(Continued)**

FINDING NUMBER 1999-40233-003

Noncompliance Citation

Ohio Rev. Code Section 5705.36 states that an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

The District received revenue which was not included in the Certificate of Estimated Resources and they did not obtain amended certificates from the budget commission for 1998 and 1999. Failure to obtain amended certificates resulted in the improper expenditure of funds.

An amended Certificate of Estimated Resources should be received when actual revenues exceed the estimated revenues and the additional revenue is going to be spent by the District.

**SOUTHEASTERN HARDIN AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 1999 AND 1998**

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <i>Explain:</i> |
|-----------------------|------------------------|-------------------------|---|
| 1997-40233-001 | Ohio Rev. Code 5705.38 | Yes | N/A |



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

SOUTHEASTERN HARDIN AMBULANCE DISTRICT

HARDIN 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
SEPTEMBER 14, 2000**