



**HEIGHTS AREA SPECIAL RESCUE TEAM
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003 & 2002



**Auditor of State
Betty Montgomery**

**HEIGHTS AREA SPECIAL RESCUE TEAM
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Governmental Fund Type - For the Year Ended December 31, 2003	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Governmental Fund Type - For the Year Ended December 31, 2002	4
Notes to the Financial Statements	5
Independent Accountants' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	7

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Heights Area Special Rescue Team
Cuyahoga County
1349 South Green Road
South Euclid, Ohio 44121

To the Board:

We have audited the accompanying financial statements of the Heights Area Special Rescue Team, Cuyahoga County, Ohio, (HASRT) as of and for the years ended December 31, 2003 and December 31, 2002. These financial statements are the responsibility of the HASRT's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 described in Note 1, HASRT 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 combined fund cash balances of the Heights Area Special Rescue Team, Cuyahoga County, Ohio, as of December 31, 2003 and December 31, 2002, and its combined 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 12, 2005 on our consideration of the HASRT'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 audits.

Heights Area Special Rescue Team
Cuyahoga County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of management, HASRT Board, 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

August 12, 2005

HEIGHTS AREA SPECIAL RESCUE TEAM
CUYAHOGA COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
THE GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Governmental Fund Type</u>
	<u>General</u>
Cash Receipts:	
Intergovernmental	\$23,884
Total Cash Receipts	<u>23,884</u>
Cash Disbursements:	
Current:	
Security of Persons and Property	14,921
Total Disbursements	<u>14,921</u>
Total Receipts Over/(Under) Disbursements	<u>8,963</u>
Fund Cash Balances, January 1, 2003	<u>19,321</u>
Fund Cash Balances, December 31, 2003	<u><u>\$28,284</u></u>

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

**HEIGHTS AREA SPECIAL RESCUE TEAM
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
THE GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Type</u>
	<u>General</u>
Cash Receipts:	
Intergovernmental	\$17,785
Total Cash Receipts	17,785
Cash Disbursements:	
Current:	
Security of Persons and Property	3,434
Total Disbursements	3,434
Total Receipts Over/(Under) Disbursements	14,351
Fund Cash Balances, January 1, 2002	4,970
Fund Cash Balances, December 31, 2002	\$19,321

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

**HEIGHTS AREA SPECIAL RESCUE TEAM
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Heights Area Special Rescue Team, Cuyahoga County, Ohio, (HASRT) 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 governing body of HASRT is comprised of a Council of five Fire Chiefs of member cities. The Council operates in accordance with a written agreement establishing HASRT pursuant to Ohio Revised Code Section 9.6.

HASRT was established to provide mutual aid for the provision of emergency fire protection and rescue squad services and to organize, train and equip a special rescue team to conduct rescue activities requiring unusual training and/or equipment in participating communities. Annual member receipts are based on an agreed formula based on the member cities population.

HASRT's management believes these financial statements present all activities for which HASRT 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

HASRT classifies its fund as the following governmental fund type:

General Fund

The General Fund is the general operating fund. It is used to account for all HASRT's financial activity.

D. 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.

**HEIGHTS AREA SPECIAL RESCUE TEAM
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. CASH DEPOSITS

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

	<u>2003</u>	<u>2002</u>
Demand Deposit	<u>\$28,284</u>	<u>\$19,321</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. Although the Village followed all state statutory requirements for these deposits, noncompliance with federal requirements could potentially subject the Village to a successful claim by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

HARST has obtained commercial insurance for the following risks:

- Commercial Inland Marine
- Automobile



**Auditor of State
Betty Montgomery**

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

Heights Area Special Rescue Team
Cuyahoga County
1349 South Green Road
South Euclid, Ohio 44121

To the Board:

We have audited the financial statements of the Heights Area Special Rescue Team, Cuyahoga County, Ohio, (HASRT) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated August 12, 2005. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered HASRT's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether HASRT's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the management and HASRT Board. It is not intended for 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

August 12, 2005



**Auditor of State
Betty Montgomery**

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

**HEIGHTS AREA SPECIAL RESCUE TEAM
CUYAHOGA 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 13, 2005**