



**Auditor of State
Betty Montgomery**

**BKP AMBULANCE DISTRICT
HARDIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

BKP Ambulance District
Hardin County
439 South Main Street
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the accompanying financial statements of the BKP Ambulance District, Hardin County, (the "District"), as of and for the years ended December 31, 2003 and 2002. 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 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 balance of the District, as of December 31, 2003 and 2002, 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 7, 2004 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 the management, the Board of Trustees and other officials authorized to receive this report under § 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 7, 2004

**BKP AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

Cash Receipts:	
Trips & Transports	\$223,347
Donations	300
Property Taxes	73,591
Intergovernmental	13,375
Electric and Gas Reimbursement	872
Billing Services	843
Checking Account Interest	15
CD Interest	1,811
STAR Ohio Interest	1,133
Sale of Ambulance	3,300
Miscellaneous	<u>6,424</u>
 Total Cash Receipts	 <u>325,011</u>
Cash Disbursements:	
Current:	
Hardin Co. Auditor Fees	2,300
Medicare Late Filing Fee	16
Pharmaceuticals	150
Collections Fees	136
Fuel	2,347
BWC / Insurance	21,733
Medical Insurance Employer	12,223
Medical Supplies	2,945
Purchasing Incidentals	2,600
Oxygen Supply	6,172
Vehicle Incidentals	1,027
Vehicle Supplies	387
Vehicle Repairs	4,324
Radio Equipment / Service	2,643
Postage	774
Freight	601
New Equipment	3,124
Building and Grounds	5,240
Building Incidentals	6,184
Education and Training	1,755
Telephone	2,798
Training Incidentals	440
Uniform Accessories	577
Squadhouse Supplies	644
Utilities (Electric / Gas / Water / Cable / Trash)	8,166
Linen Service	1,342
Durable Medical Equipment	6,135
Wages and Salaries	128,043
Officer Compensation	8,300
Squad Compensation	13,970
Office Expenses	5,325
Administration Incidentals	11,006
Employer Benefits (PERS / State Unemployment / Federal Unemployment / Medicare)	20,051
Babysitting Fees	<u>404</u>
 Total Disbursements	 <u>283,882</u>
 Total Receipts Over Disbursements	 41,129
 Fund Cash Balance, January 1	 <u>223,719</u>
 Fund Cash Balance, December 31	 <u><u>\$264,848</u></u>

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

**BKP AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:	
Trips & Transports	\$181,054
Medicare Provider Adjustment Amount	2
Donations	325
Property Taxes	71,725
Intergovernmental	6,163
Electric and Gas Reimbursement	872
Checking Account Interest	467
CD Interest	2,232
STAR Ohio Interest	2,317
Miscellaneous	<u>2,356</u>
 Total Cash Receipts	 <u>267,513</u>
Cash Disbursements:	
Current:	
Hardin Co. Auditor Fees	2,166
Bank Service Charge	10
Medicare Late Filing Fee	221
Pharmaceuticals	182
Collections Fees	76
Fuel	1,762
BWC / Insurance	14,151
Medical Supplies	6,037
Purchasing Incidentals	1,215
Oxygen Supply	6,087
Vehicle Incidentals	384
Vehicle Supplies	60
Vehicle Repairs	2,743
Radio Equipment / Service	410
Postage	858
Freight	737
New Equipment	94,680
Audit Fees	3,176
Building and Grounds	14,518
Building Incidentals	9,734
Education and Training	2,099
Telephone	2,382
Seminars	900
Training Incidentals	211
Uniform Accessories	576
Squadhouse Supplies	830
Utilities (Electric / Gas / Water / Cable / Trash)	6,440
Linen Service	1,176
Durable Medical Equipement	8,217
Wages and Salaries	31,490
Officer Compensation	12,245
Squad Compensation	27,155
Office Expenses	5,427
Administration Incidentals	7,149
Employer Benefits (PERS / State Unemployment / Federal Unemployment / Medicare)	4,101
Accounting Fees	418
Babysitting Fees	<u>120</u>
 Total Disbursements	 <u>270,143</u>
 Total Receipts(Under) Disbursements	 (2,630)
 Fund Cash Balance, January 1	 <u>226,349</u>
 Fund Cash Balance, December 31	 <u><u>\$223,719</u></u>

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

**BKP AMBULANCE DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The BKP 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 six-member Board of Trustees who are from the participating subdivisions, Buck Township, Cessna Township, Goshen Township, Lynn Township, Pleasant Township, and the City of Kenton. The District provides ambulance services to the citizens within 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 and Investments

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not record as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at shared values reported by STAR Ohio. Certificates of deposit are valued at cost.

D. Fund Accounting

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

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

E. Budgetary Process

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. Appropriations lapse at year end.

**BKP AMBULANCE DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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

F. 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.

G. Unpaid Vacation and Sick Leave

District employees are entitled to cash payments for unused vacation leave in certain circumstances, such as leave of employment. Unpaid vacation leave is not reflected as a liability under the basis of accounting used by the District.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$84,326	\$69,141
Certificates of deposit	77,520	52,709
Total deposits	<u>161,846</u>	<u>121,850</u>
STAR Ohio	<u>103,002</u>	<u>101,869</u>
Total deposits and investments	<u><u>\$264,848</u></u>	<u><u>\$223,719</u></u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**BKP AMBULANCE DISTRICT
HARDIN COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$284,467	\$325,011	\$40,544

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$390,600	\$283,882	\$106,718

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$257,571	\$267,513	\$9,942

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$375,600	\$270,143	\$105,457

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.

**BKP AMBULANCE DISTRICT
HARDIN COUNTY**

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

5. RISK MANAGEMENT

Commercial Insurance

The Ambulance District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Portable equipment.



Auditor of State Betty Montgomery

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

BKP Ambulance District
Hardin County
439 South Main Street
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the financial statements of the BKP Ambulance District, Hardin County (the "District"), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 7, 2004. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated August 7, 2004.

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 matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted 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 7, 2004.

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

August 7, 2004

**BKP AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 and 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-60233-001	ORC Sec. 5705.41 (D) – Failure to obtain prior certification of expenditures	Yes	



**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

BKP 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 21, 2004**