



**PERRY, PORT, SALEM AMBULANCE DISTRICT
SHELBY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1998-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PERRY, PORT, SALEM AMBULANCE DISTRICT
SHELBY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Perry, Port, Salem Ambulance District
Shelby County
P.O. Box 486
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the accompanying financial statements of Perry, Port, Salem Ambulance District, Shelby 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 balance 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 May 24, 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 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.

Jim Petro
Auditor of State

May 24, 2000

**PERRY, PORT, SALEM AMBULANCE DISTRICT
SHELBY COUNTY**

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

	Governmental Fund Type
	General
Cash Receipts:	
Local Taxes	\$44,469
Intergovernmental	4,190
Earnings on Investments	1,070
Total Cash Receipts	49,729
Cash Disbursements:	
General Government	2,755
Public Works	19,000
Note Principal and Interest	24,111
Total Disbursements	45,866
Total Receipts Over/ Disbursements	3,863
Fund Cash Balance January 1	36,177
Fund Cash Balance, December 31	\$40,040

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

**PERRY, PORT, SALEM AMBULANCE DISTRICT
SHELBY COUNTY**

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

	Governmental Fund Type
	General
Cash Receipts:	
Local Taxes	\$42,838
Intergovernmental	4,108
Earnings on Investments	1,789
Total Cash Receipts	48,735
Cash Disbursements:	
General Government	5,334
Public Works	16,260
Capital Outlay	80,739
Total Disbursements	102,333
Total Receipts (Under) Disbursements	(53,598)
Other Financing Receipts:	
Proceeds of Notes	40,739
Excess of Cash Receipts and Other Financing Receipts /(Under) Cash Disbursements	(12,859)
Fund Cash Balance January 1	49,036
Fund Cash Balance, December 31	\$36,177

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

**PERRY, PORT, SALEM AMBULANCE DISTRICT
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perry, Port, Salem Ambulance District, Shelby 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 a three-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are Perry Township, Port Township, and Salem Township. The District provides emergency medical services.

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

Certificates of deposit is 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 fund as 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.

E. 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (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.

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.

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>1999</u>	<u>1998</u>
Demand deposits	\$ 33,973	\$ 30,110
Certificate of deposit	<u>6,067</u>	<u>6,067</u>
Total deposits	<u>\$ 40,040</u>	<u>\$ 36,177</u>

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			
<u>Fund Type</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	<u>\$ 48,532</u>	<u>\$ 49,729</u>	<u>\$ 1,197</u>

**PERRY, PORT, SALEM AMBULANCE DISTRICT
SHELBY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ <u>84,709</u>	\$ <u>45,866</u>	\$ <u>38,843</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ <u>46,247</u>	\$ <u>89,474</u>	\$ <u>43,227</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ <u>43,060</u>	\$ <u>102,333</u>	\$ <u>(59,273)</u>

Ohio law requires the fiscal office to certify that the amount required for any expenditure that 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 encumbrance. The District did not obtain certification of the availability of funds.

Ohio law establishes that no subdivision or taxing unit is to expend money unless it has been appropriated. Total 1998 General Fund expenditures exceeded appropriations by \$59,273.

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.

**PERRY, PORT, SALEM AMBULANCE DISTRICT
SHELBY COUNTY**

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Note	<u>\$40,739</u>	8.5%

The District issued general obligation bonds to finance the purchase of a new ambulance. The bonds were issued on September 3, 1998 in the amount of \$40,739 and have maturity date of September 3, 2002. The bonds are collateralized solely by the District's taxing authority.

Debt principal outstanding at December 31, 1999 was \$19,554. The remaining debt was retired on April 14, 2000.

6. RETIREMENT SYSTEMS

The trustees and the clerk belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This 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. PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles



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

Perry, Port, Salem Ambulance District
Shelby County
P.O. Box 486
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the accompanying financial statements of Perry, Port, Salem Ambulance District, Shelby County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 24, 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 1999-40275-001 and 1999-40275-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated May 24, 2000.

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 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 May 24, 2000.

Perry, Port, Salem Ambulance District
Shelby 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 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.

Jim Petro
Auditor of State

May 24, 2000

**PERRY, PORT, SALEM AMBULANCE DISTRICT
SHELBY COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-40275-001

Noncompliance Citation

Ohio Rev. Code 5705.41(D), states that no order or contracts involving the expenditure of money is to be made unless there is attached thereto 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 encumbrance.

Section 5705.41(D), Ohio Rev. Code, provides for the following exception to this requirement:

If no certificate is issued at the time the contract or order is presented for payment, the taxing authority may authorize the payment provided there is appropriated sufficient sum for the purpose of such contract and is in the treasury or process of collection to the credit of an appropriate fund free from a previous encumbrance, provided such action is taken within thirty days of the contract date, and the amount involved is less than \$1,000.

One hundred percent of the expenditures tested noted obligations incurred by the District without obtaining prior certification of the availability of funds. Therefore, the District was in violation of the above provisions, including the exception listed above, which indicates the fiscal officer could not properly certify that funds were free from prior encumbrances as is required by the aforementioned Section.

FINDING NUMBER 1999-40275-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (B), prescribes that no subdivision or taxing unit is to expend money unless it has been appropriated. During 1998, the actual expenditures exceeded appropriations as indicated below.

Fund	Appropriations	Expenditures	Excess
General Fund	\$43,060	\$102,333	\$59,273



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PERRY, PORT, SALEM AMBULANCE DISTRICT

SHELBY 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
JULY 6, 2000**