

South Central Ambulance District, Ashtabula County

Report on
Financial Statements

December 31, 2007 and 2006
and For the Years Then Ended

BODINE  PERRY LLC
Certified Public Accountants & Business Analysts
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Mary Taylor, CPA

Auditor of State

Board of Trustees
South Central Ambulance District
3100 State Route 6
Rome, Ohio 44085

We have reviewed the *Independent Accountants' Report* of the South Central Ambulance District, Ashtabula County, prepared by Bodine Perry, LLC, for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The South Central Ambulance District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 26, 2009

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INDEPENDENT ACCOUNTANTS' REPORT

November 17, 2008

To the Board of Trustees
South Central Ambulance District
Ashtabula County
3100 State Route 6
Rome, Ohio 44085

We have audited the accompanying financial statements of South Central Ambulance District, Ashtabula County, (the District) as of and for the years ended December 31, 2007 and 2006. 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 the 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 opinions.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. Instead of the accompanying fund financial statements present for 2007 and 2006, the revisions require presenting entity wide states and also to present it's larger (i.e. major) funds separately for 2007 and 2006. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their financial statements. The District has elected not to reformat its financial statements for 2007 and 2006. Since this District does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matters discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements refer to above present fairly, in all material respects, the fund cash balances of South Central Ambulance District, Ashtabula County, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended in accordance on the accounting basis described in Note 1.

The District has not included Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements. The District has elected not to present Management's Discussion and Analysis.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2008, on our consideration of South Central Ambulance District, Ashtabula County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

BODINE PERRY, LLC
Certified Public Accountants and Business Advisors

Canfield, Ohio

**South Central Ambulance District
Ashtabula County**

Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances
Governmental Fund Type

For The Years Ended December 31, 2007 and 2006

	GENERAL FUND	
	2007	2006
<i>CASH RECEIPTS</i>		
Local Taxes	\$ 596,344	\$ 507,973
Intergovernmental	58,956	56,107
Charges for Services	148,949	116,788
Earnings on Investments	23,764	12,761
Miscellaneous	18,960	30,070
Total Cash Receipts	846,973	723,699
<i>CASH DISBURSEMENTS</i>		
Current:		
Salaries	362,763	374,325
Personal Services	3,990	3,930
Supplies	26,786	22,606
Maintenance	10,861	7,107
Fringes/Insurance	163,373	160,948
Utilities/Rent	16,193	16,711
Training	1,885	3,436
Equipment	155,627	47,332
Other	38,619	42,231
Total Cash Disbursements	780,097	678,626
Total Receipts Over/(Under) Disbursements	66,876	45,073
Fund Cash Balances, January 1	687,061	641,988
Fund Cash Balances, December 31	\$ 753,937	\$ 687,061

See Accountants' Report and Notes to financial statements.

South Central Ambulance District Ashtabula County

Notes to the Financial Statements

For the years ended December 31, 2007 and 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the South Central Ambulance District, Ashtabula County, (the District) as a body corporate and politic. Eleven Board Members govern the District. Each political subdivision within the District appoints one member. Those subdivisions are Colebrook Township, Dorset Township, Hartsgrove Township, Lenox Township, Morgan Township, New Lyme Township, Orwell Township, Rome Township, Orwell Village, and Roaming Shores Village.

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

The reporting entity is comprised of the primary government.

B. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District provides rescue services within the District and by contract to areas outside the District.

C. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned and recognizes disbursements 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). This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to this basis of accounting.

D. Cash and Investments

The accounting basis includes investments as assets. Accordingly, investment purchases are not recorded as disbursements, and investment sales are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The accounting basis values certificates of deposits and passbook savings accounts as valued at cost.

E. 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 type:

General

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

F. Budgetary Process

The Ohio Revised Code requires the District to budget each fund.

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

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.

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 Ohio Revised Code Section 5705.38(c) requires that appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

G. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

NOTE 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>2007</u>	<u>2006</u>
Demand Deposits	\$ 366,803	\$ 424,272
Certificates of Deposits	387,134	262,789
Total Deposits	<u>\$ 753,937</u>	<u>\$ 687,061</u>

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

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 718,500	\$ 846,973	\$ 128,473

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 858,500	\$ 780,097	\$ 78,403

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 696,500	\$ 723,699	\$ 27,199

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 747,200	\$ 678,626	\$ 68,574

NOTE 4 – PROPERTY TAX

Real property taxes become a lien on January 1, preceding the October 1 date for which the Board of Trustees adopts rates. Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State then pays the District amounts equaling the homestead and rollback deductions. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property tax owners assess that property. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

NOTE 5 – RETIREMENT SYSTEMS

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare and survivor and disability benefits. OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2007 and 2006, the members contributed 9.50 percent and 9.00 percent, respectively, of their gross salaries, of which 100% was picked-up by the District. The District contributed an amount equal to 13.85 percent and 13.70 percent, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007 and 2006.

Note 6 – RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contribution to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Members may withdraw on each anniversary of the date they joined PEP. The members must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Information related to PEP can be found at www.pepohio.org or by calling (800) 748-0554.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

November 17, 2008

To the Board of Trustees
South Central Ambulance District
Ashtabula County
3100 State Route 6
Rome, Ohio 44085

We have audited the special purpose statements of revenues and expenses of South Central Ambulance District Ashtabula County (the District) as of and for the years ended December 31, 2007 and 2006 and have issued our report thereon dated November 17, 2008, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered South Central Ambulance District Ashtabula County's, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion the effectiveness of South Central Ambulance District Ashtabula County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of South Central Ambulance District Ashtabula County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects South Central Ambulance District Ashtabula County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the accounting practices the Auditor of State prescribes or permits, such that there is more than a remote likelihood that a misstatement of South Central Ambulance District Ashtabula County's financial statements that is more than inconsequential will not be prevented or detected by South Central Ambulance District Ashtabula County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by South Central Ambulance District Ashtabula County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Central Ambulance District Ashtabula County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of statements 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 material noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of audit committee, management, and other members of the board. It is not intended to be nor should it be used by anyone other than these specified parties.

BODINE PERRY, LLC
Certified Public Accountants and Business Advisors

Canfield, Ohio



Mary Taylor, CPA
Auditor of State

**SOUTH CENTRAL AMBULANCE DISTRICT
ASHTABULA 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
APRIL 7, 2009**