



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B34571

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

June 30, 2009

Board of Directors
Switzerland County Emergency
Medical Services, Inc.
809 E. Main Street
Vevay, IN 47043

We have reviewed the audit report prepared by Scott and Callicotte, LLC, Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Switzerland County Emergency Medical Services, Inc., as of December 31, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

We call your attention to the finding in the report. Pages 7 and 8 contain one current audit finding.

STATE BOARD OF ACCOUNTS

SWITZERLAND COUNTY EMERGENCY
MEDICAL SERVICES, INC.

Audited Financial Statements

For the Years Ended
December 31, 2007 and 2006

Scott and Callicotte, LLC
Certified Public Accountants

SWITZERLAND COUNTY EMERGENCY MEDICAL SERVICES, INC.

Table of Contents
December 31, 2007 and 2006

Independent Auditor's Report	1-2
Statement of Assets, Liabilities, and Net Assets – Cash Basis	3
Statement of Support, Revenue, and Expenses – Cash Basis	4
Notes to Financial Statements	5-6
Report on Compliance and on Internal Control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards	7-8

SCOTT AND CALLICOTTE, LLC



Certified Public Accountants

*Member of
American Institute of Certified Public Accountants
and Indiana Certified Public Accountants Society*

511 STATE STREET ▪ P.O. BOX 959 ▪ MADISON, INDIANA 47250 ▪ TELEPHONE (812) 273-5747 ▪ FAX (812) 273-5750

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Switzerland County Emergency
Medical Services, Inc.

We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis of Switzerland County Emergency Medical Services, Inc. (a nonprofit organization) as of December 31, 2007 and 2006, and the related statement of support, revenue and expenses, and change in net assets – modified cash basis for the years then ended. These financial statements are the responsibility of the Organization'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 described in note A, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Switzerland County Emergency Medical Services, Inc. as of December 31, 2007 and 2006, and its support, revenue and expenses and changes in its net assets for the years then ended, on the basis of accounting described in note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2008, on our consideration of Switzerland County Emergency Medical Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 considered in assessing the results of our audit.

Scott and Callicotte, LLC
Scott and Callicotte, LLC
Certified Public Accountants

September 8, 2008

SWITZERLAND COUNTY EMERGENCY MEDICAL SERVICES, INC.
 Statements of Assets, Liabilities, and Net Assets
 Modified Cash Basis
 As of December 31,

ASSETS	2007	2006
CURRENT ASSETS		
Cash - Checking Account	\$ 50,939	\$ 63,455
Cash - Savings Accounts	<u>3,190</u>	<u>2,941</u>
Total Current Assets	54,129	66,396
FIXED ASSETS		
Land, Building and Improvements	91,302	87,702
Equipment	265,315	240,311
Vehicles	<u>555,856</u>	<u>300,433</u>
Subtotal	912,473	628,446
Less Accumulated Depreciation	<u>-410,147</u>	<u>-330,118</u>
Total Fixed Assets	502,326	298,328
TOTAL ASSETS	<u>\$ 556,455</u>	<u>\$ 364,724</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Payroll Taxes Payable	\$ 2,260	\$ 1,815
Employee Benefits Withheld	2,307	3,118
Lease Obligation Payable - Equipment	-	74,362
Lease Obligation Payable - Ambulance	-	81,613
Total Liabilities	<u>4,567</u>	<u>160,908</u>
NET ASSETS		
Net Assets - Unrestricted	<u>551,888</u>	<u>203,816</u>
Total Net Assets	551,888	203,816
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 556,455</u>	<u>\$ 364,724</u>

SWITZERLAND COUNTY EMERGENCY MEDICAL SERVICES, INC.
 Statements of Support, Revenue, Expenses, and Net Assets
 Modified Cash Basis
 For the Years Ended

	2007	2006
SUPPORT AND REVENUE		
SUPPORT		
Grants From Switzerland County Government	\$ 429,093	\$ 417,957
Grants Temporarily Restricted	417,627	-
Switzerland County Contract	32,500	32,500
Other Contributions	834	1,135
Total Support	<u>880,054</u>	<u>451,592</u>
REVENUE		
Client Fees	317,161	292,307
Other Income	15,774	4,931
Interest Income	2,533	197
Total Revenue	<u>335,468</u>	<u>297,435</u>
TOTAL SUPPORT AND REVENUE	1,215,522	749,027
EXPENSES		
Salaries and Wages	441,328	426,824
Payroll Taxes	37,242	35,752
Employee Benefits	45,068	50,413
Employee Training and Education	9,480	7,278
Employee Meals and Awards	11,958	14,042
Vehicle Expense	46,025	32,290
Medical Supplies	41,152	32,877
Interest on Capital Leases	9,622	14,567
Building Maintenance and Supplies	10,037	2,713
Equipment Repair	2,166	-
Professional Fees	44,519	26,107
Uniforms	5,219	6,261
Insurance	50,837	43,785
Radio Expense	2,306	942
Office Expense	6,381	2,490
Lease Payments	1,435	1,363
Contributions	350	1,000
Utilities and Telephone	15,720	17,800
Other Expenses	4,455	1,681
Depreciation Expense	82,150	40,574
Total Expenses	<u>867,450</u>	<u>758,759</u>
NET SUPPORT AND REVENUE IN EXCESS OF EXPENSES	348,072	-9,732
NET ASSETS - BEGINNING OF YEAR	<u>203,816</u>	<u>213,548</u>
NET ASSETS - END OF YEAR	<u>\$ 551,888</u>	<u>\$ 203,816</u>

See accompanying notes to financial statements.

SWITZERLAND COUNTY EMERGENCY MEDICAL SERVICES, INC.
Notes to Financial Statements

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Switzerland County Emergency Medical Services, Inc. (the Organization) is a nonprofit corporation formed to provide emergency services to the residents of Switzerland County, Indiana. The Organization's primary support and revenue is from the Switzerland County Government and from fees charged for providing emergency services.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues and support are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. The Organization also records depreciation expense on its fixed assets.

Grants and Contributions

Grants and contributions are recorded as unrestricted support if the restrictions are met in the reporting period. Grants and contributions whose restrictions have not been met in the reporting period are recorded as temporarily restricted or permanently restricted support depending on the existence and/or nature of any imposed restrictions. The Organization has not received any grants or contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SWITZERLAND COUNTY EMERGENCY MEDICAL SERVICES, INC.
Notes to Financial Statements

NOTE B – FIXED ASSETS

The Organization's policy is to capitalized property and equipment. Expenditures for maintenance and repairs are charged against operations when they are paid. Depreciation is provided for using the straight line method over the estimated useful lives of the assets. The estimated useful lives used in calculating depreciation are as follows:

Building and Improvements	10 to 30 years
Equipment	5 to 10 years
Vehicles	5 years

NOTE C – CAPITAL LEASE OBLIGATIONS

During 2005 and 2006 the Organization entered into a capital lease agreements for the purpose of leasing Lifepak monitors and a 2006 ambulance. The Organization on May 18, 2007 paid off the remaining lease obligations in the amount of \$143,540.

NOTE D – RETIREMENT PLAN

The Organization provides a Simple IRA retirement plan for its employees. The Organization is obligated to match up to 3% of participating employee's wages. Contributions for the years 2007 and 2006 were \$9,152 and \$5,090, respectively.

NOTE F – ECONOMIC DEPENDENCY

The Organization receives a substantial amount of its support from riverboat gaming and is paid through the Switzerland County Government. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's activities and operations.

SCOTT AND CALLICOTTE, LLC



Certified Public Accountants

Member of
American Institute of Certified Public Accountants
and Indiana Certified Public Accountants Society

511 STATE STREET • P.O. BOX 959 • MADISON, INDIANA 47250 • TELEPHONE (812) 273-5747 • FAX (812) 273-5750

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

To the Board of Directors of
Switzerland County Emergency
Medical Services, Inc.

We have audited the financial statements of Switzerland County Emergency Medical Services, Inc. (a nonprofit organization) as of and for the year ended December 31, 2007, and have issued our report thereon dated September 8, 2008. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Switzerland County Emergency Medical Services, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Switzerland County Emergency Medical Services, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the following described deficiency to be a significant deficiency in internal control over financial reporting: The Organization's

office manager who is responsible for maintaining the accounting records is related to the executive director of the Organization. The Organization's response to this deficiency is to limit the executive director's check paying ability and to review expenditures in excess of \$500.


A material weakness is a significant deficiency, or a 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 the organization'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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Switzerland County Emergency Medical Services, Inc'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 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Scott and Callicotte, LLC
Madison, Indiana

September 8, 2008