



**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BLANCHARD - DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Blanchard-Dunkirk Ambulance District
Hardin County
110 South Main Street
Dunkirk, OH 45836

To the Board of Trustees:

We have audited the accompanying financial statements of Blanchard-Dunkirk Ambulance District, Hardin 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 balances 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 July 7, 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

July 7, 2000

**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Local Taxes	\$0	\$59,082	\$59,082
Intergovernmental	3,440	6,867	10,307
Charges for Services	27,951		27,951
Earnings on Investments	1,166		1,166
Miscellaneous	7,854		7,854
	<u>40,411</u>	<u>65,949</u>	<u>106,360</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	36,232		36,232
Other		1,840	1,840
Debt Service:			
Redemption of Principal	600	79,865	80,465
Interest		4,803	4,803
Capital Outlay		716	716
	<u>36,832</u>	<u>87,224</u>	<u>124,056</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>3,579</u>	<u>(21,275)</u>	<u>(17,696)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		257	257
Transfers-Out	(257)		(257)
	<u>(257)</u>	<u>257</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,322	(21,018)	(17,696)
Fund Cash Balances January 1	<u>18,378</u>	<u>22,018</u>	<u>40,396</u>
Fund Cash Balances, December 31	<u><u>\$21,700</u></u>	<u><u>\$1,000</u></u>	<u><u>\$22,700</u></u>

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

**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Local Taxes	\$0	\$57,254	\$57,254
Intergovernmental	400	6,725	7,125
Charges for Services	20,320		20,320
Earnings on Investments	3,124		3,124
Miscellaneous	500		500
	<u>24,344</u>	<u>63,979</u>	<u>88,323</u>
Total Cash Receipts			
	<u>24,344</u>	<u>63,979</u>	<u>88,323</u>
Cash Disbursements:			
Current:			
General Government	23,542		23,542
Other		1,853	1,853
Debt Service:			
Redemption of Principal	600	35,135	35,735
Interest		11,957	11,957
Capital Outlay	0	111,450	111,450
	<u>24,142</u>	<u>160,395</u>	<u>184,537</u>
Total Disbursements			
	<u>24,142</u>	<u>160,395</u>	<u>184,537</u>
Total Receipts Over/(Under) Disbursements	<u>202</u>	<u>(96,416)</u>	<u>(96,214)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		1,947	1,947
Advances-In	2,500	2,500	5,000
Transfers-Out	(1,947)		(1,947)
Advances-Out	(2,500)	(2,500)	(5,000)
	<u>(1,947)</u>	<u>1,947</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(1,947)</u>	<u>1,947</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(1,745)</u>	<u>(94,469)</u>	<u>(96,214)</u>
Fund Cash Balances January 1	<u>20,123</u>	<u>116,487</u>	<u>136,610</u>
Fund Cash Balances, December 31	<u>\$18,378</u>	<u>\$22,018</u>	<u>\$40,396</u>

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

**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Blanchard-Dunkirk 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 three-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are Blanchard Township, Village of Dunkirk, and Washington Township (East side). The District provides rescue services within the District and by contract to areas outside 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

Certificates of deposit are valued at cost. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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:

1. 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.

2. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The District had the following significant Capital Project Fund:

Building Fund - This fund receives tax levy money to be used for the construction of a new EMS building and subsequent debt payments.

**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, function or object 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.

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. Encumbrances outstanding at year end are carried over, and need not be reappropriated. 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	\$ 2,528	\$ 24,837
Savings account	3,672	259
Certificates of deposit	<u>16,500</u>	<u>15,300</u>
Total deposits	22,700	40,396

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 0	\$ 40,411	\$ 40,411
Capital Projects	62,406	66,206	3,800
Total	<u>\$ 62,406</u>	<u>\$ 106,617</u>	<u>\$ 44,211</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 0	\$ 37,089	\$ (37,089)
Capital Projects	0	87,224	(87,224)
Total	<u>\$ 0</u>	<u>\$ 124,313</u>	<u>\$ (124,313)</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 0	\$ 24,344	\$ 24,344
Capital Projects	61,563	65,926	4,363
Total	<u>\$ 61,563</u>	<u>\$ 90,270</u>	<u>\$ 28,707</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 0	\$ 26,089	\$ (26,089)
Capital Projects	0	160,395	(160,395)
Total	<u>\$ 0</u>	<u>\$ 186,484</u>	<u>\$ (186,484)</u>

The Board of Trustees did not adopt an annual appropriations resolution for 1999 or 1998. This violates the requirements of Ohio Revised Code Section 5705.38.

The District did not certify the availability of funds prior to the commitment being incurred, as required by Ohio Revised Code Section 5705.41(D).

The District had expenditures greater than appropriations which violates Ohio Rev. Code Section 5705.41(B).

**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

The District did not certify all estimated resources to the County Auditor as required by Ohio Rev. Code Section 5705.36.

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.

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.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Land Purchase	\$ 10,800	0%
Building	<u>37,000</u>	5.25%
Total	<u><u>\$ 47,800</u></u>	

On April 8, 1997, the District purchased land from Blanchard Township, as a location for the new EMS building, for \$12,000. The annual debt payments are \$600, with no interest, for a period of twenty years. Blanchard Township is withholding this annual payment from the ambulance contract they have with the District.

The District issued tax anticipation notes to finance the construction of a new EMS building. The notes were issued on February 26, 1997 in the amount of \$152,000 and have maturities through October 1, 2001. The notes are collateralized solely by the District's taxing authority.

**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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

5. DEBT (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Land Purchase	Building
2000	\$ 600	\$ 38,943
2001	600	0
2002	600	0
2003	600	0
2004	600	0
Subsequent	7,800	0
Total	\$ 10,800	\$ 38,943

6. RETIREMENT SYSTEMS

The District's employees 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:

- Ambulance Package
- Ambulance Management
- Commercial Auto
- Commercial Property
- General Liability

8. SUBSEQUENT EVENTS

The District's tax anticipation notes for the construction of a new EMS building were to mature October 1, 2001. The District paid this obligation in full on May 1, 2000.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Blanchard-Dunkirk Ambulance District
Hardin County
110 South Main Street
Dunkirk, OH 45836

To the Board of Trustees:

We have audited the accompanying financial statements of Blanchard-Dunkirk Ambulance District, Hardin County, Ohio ("the District"), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 7, 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 1999-40233-001 and 199-40233-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated July 7, 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 July 7, 2000.

Blanchard Dunkirk Ambulance District
Hardin 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 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

July 7, 2000

**BLANCHARD DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 1999-40233-001

Noncompliance Citation

Ohio Rev. Code Section 5705.36, states that on or about the first day of each fiscal year, the fiscal officer of each subdivision or other taxing unit are to certify to the county auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered fund balances that existed at the end of the preceding year. The District did not certify estimated revenues, however, the County Auditor was able to and did certify the estimated amounts of property tax revenues for the Capital Projects Fund.

FINDING NUMBER 1999-40233-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is 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 encumbrances. Every such contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

Ohio Rev. Code Section 5705.41 (B) provides that no subdivision or taxing unit is to expend money unless it has been appropriated.

Ohio Rev. Code Section 5705.38, requires each subdivision, on or about the first day of each fiscal year, to adopt an appropriation resolution.

The District did not adopt an appropriation resolution for 1999 or 1998. As a result all expenditures made during these years exceeded appropriations and were made without the required fiscal officer's certification.

**BLANCHARD-DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></u>
1997-40233-001	ORC 5705.41(D)	No	Not corrected - combined with other violations at report level
1997-40233-002	ORC 5705.41(B)	No	Not corrected -combined with other violations at report level
1997-40233-003	Year 2000 Implications	No	No longer valid. The District has not experienced any Year 2000 problems.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

BLANCHARD-DUNKIRK 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
AUGUST 22, 2000**