

***BLANCHARD DUNKIRK WASHINGTON JOINT
AMBULANCE DISTRICT***

HARDIN COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2013 and 2012





Dave Yost • Auditor of State

Board of Trustees
Blanchard Dunkirk Washington Joint Ambulance District
110 South Main Street
Dunkirk, Ohio 45836

We have reviewed the *Independent Auditors' Report* of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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.

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 Blanchard Dunkirk Washington Joint Ambulance District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 22, 2014

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BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO
Audit Report
For the years ended December 31, 2013 and 2012

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditors' Report	1-2
Combined Statement of Receipts, Disbursements and Changes in Fund Balances - All Governmental Fund Types - For the Year Ended December 31, 2013	3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances - All Governmental Fund Types - For the Year Ended December 31, 2012	4
Notes to the Financial Statements	5-12
Independent Auditors' Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13-14
Schedule of Findings	15
Schedule of Prior Audit Findings	16

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Blanchard Dunkirk Washington Joint Ambulance District
Hardin County
110 South Main Street
Dunkirk, Ohio 45836

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, (the District) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2014, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CHARLES E. HARRIS & ASSOCIATES, INC.
July 25, 2014

BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2013

	Governmental Fund Types		Total (Memorandum Only)
	General	Debt Service	
Receipts:			
Property Taxes	\$ 34,268	\$ 6,158	\$ 40,426
Charges for Services	18,351	-	18,351
Intergovernmental	6,463	-	6,463
Earnings on Investments	11	-	11
Grants	67,240	-	67,240
Memorial	100	-	100
Miscellaneous	434	-	434
Total Receipts	126,867	6,158	133,025
Disbursements:			
Current:			
Advertisements	31	-	31
Audit Expense	164	-	164
Building Maintenance	10,592	-	10,592
Bureau Workers Compensation	1,034	-	1,034
Computer Software	4,311	-	4,311
Drug License Renewal	150	-	150
Dues	75	-	75
EMT Payroll	2,787	-	2,787
Equipment	2,094	-	2,094
Fuel	1,172	-	1,172
Grant Expense	59,970	-	59,970
Harding Co. Tax Assessment	18	-	18
Insurance	9,301	-	9,301
Internet Service	479	-	479
Miscellaneous	1,768	-	1,768
Supplies - Medical	9,435	-	9,435
Supplies - Office and Shop	476	-	476
Outside Services	1,745	-	1,745
Oxygen	432	-	432
Postage and Printing	92	-	92
Repairs - Electronics and Equipment	100	-	100
Repairs - Vehicles	962	-	962
Salaries, Retirement & Taxes	10,255	-	10,255
Training	4,094	-	4,094
Utilities	5,458	-	5,458
Debt Service:			
Interest	-	178	178
Principal	4,940	5,980	10,920
Total Disbursements	131,935	6,158	138,093
Excess of Receipts Over (Under) Disbursements	(5,068)	-	(5,068)
Fund Balance, January 1, 2013	72,815	-	72,815
Fund Cash Balance December 31, 2013			
Unassigned	67,747	-	67,747
Fund Cash Balance December 31, 2013	\$ 67,747	\$ -	\$ 67,747

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

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2012**

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	
Receipts:			
Property Taxes	\$ 27,693	\$ 12,676	\$ 40,369
Charges for Services	22,378	-	22,378
Intergovernmental	6,557	-	6,557
Earnings on Investments	15	-	15
Grants	10,670	-	10,670
Miscellaneous	1,099	-	1,099
Total Receipts	68,412	12,676	81,088
Disbursements:			
Current:			
Advertisements	15	-	15
Audit Expense	3,332	-	3,332
Building Maintenance	2,338	-	2,338
Bureau Workers Compensation	882	-	882
Computer Software	4,850	-	4,850
Drug License Renewal	150	-	150
Dues	75	-	75
Educational Material	337	-	337
EMT Payroll	3,411	-	3,411
Equipment	2,154	-	2,154
Fuel	1,655	-	1,655
Grant Expense	6,813	-	6,813
Harding Co. Tax Assessment	9	-	9
Insurance	9,026	-	9,026
Internet Service	479	-	479
MARCS Annual Fee	1,440	-	1,440
Miscellaneous	2,440	-	2,440
Supplies - Medical	1,949	-	1,949
Supplies - Office and Shop	965	-	965
Outside Services	2,374	-	2,374
Oxygen	678	-	678
Postage and Printing	368	-	368
Repairs - Electronics and Equipment	511	-	511
Repairs - Vehicles	1,554	-	1,554
Salaries, Retirement & Taxes	8,235	-	8,235
Training	415	-	415
Uniforms - Clothing	12,024	-	12,024
Utilities	5,377	-	5,377
Debt Service:			
Interest	-	716	716
Principal	3,740	11,960	15,700
Total Disbursements	77,596	12,676	90,272
Excess of Receipts Over (Under) Disbursements	(9,184)	-	(9,184)
Fund Balance, January 1, 2012	81,999	-	81,999
Fund Cash Balance December 31, 2012			
Unassigned	72,815	-	72,815
Fund Cash Balance December 31, 2012	\$ 72,815	\$ -	\$ 72,815

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

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

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 Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Blanchard Township, the Village of Dunkirk, and Washington Township. The District provides emergency medical and ambulance services within the District.

The District's management believes these financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

B. BASIS OF ACCOUNTING

The Blanchard Dunkirk Washington Joint Ambulance District prepares its financial statements following 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

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. FUND ACCOUNTING

The District maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restriction associated with each class of funds is as follows:

BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

D. **FUND ACCOUNTING** - (Continued)

Governmental Fund Type:

General Fund: The general operating fund of the District. It is used to account for all financial resources except those required by law or contract to be accounted for in a specific fund.

Debt Service Fund: This fund accounts for resources the District accumulates to pay bond and note debt. The District had the following Debt Service Fund:

Bond Retirement Fund – The fund accounts for an allocation of tax levy proceeds used to pay for the debt service on the tax anticipation notes.

E. **BUDGETARY PROCESS**

A budget of estimated cash receipts and disbursements is prepared by the Fiscal Officer, approved by the District Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

1. **Estimated Resources**

The county auditor calculates the estimated revenues available to the District. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the District. The certificate is approved by the county budget commission and sent to the District Fiscal Officer by September 1.

Prior to December 31, the District must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of estimated resources stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Fiscal Officer sends the county auditor a certificate which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected revenue increases or the Fiscal Officer identifies decreases in revenue.

BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

E. **BUDGETARY PROCESS** - (Continued)

1. **Estimated Resources** - (Continued)

Budgeted receipts, as shown in Note 5, do not include the unencumbered fund balances as of January 1, 2013 and 2012. However, those fund balances are available for appropriation.

2. **Appropriations**

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

3. **Encumbrances**

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control. The legal level of control is the object level.

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.

BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

G. **FUND BALANCE**

Fund balance is divided into classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. **Nonspendable**

The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

2. **Restricted**

Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. **Committed**

Trustees can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. **Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

5. **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

G. FUND BALANCE – (Continued)

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

2. CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by general fund. The Ohio Revised Code prescribed allowable deposits and investments. The carrying amount of cash at December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Demand Deposits	\$ 57,693	\$ 62,764
Certificates of Deposit	10,054	10,051
Total Deposits and Investments	<u>\$ 67,747</u>	<u>\$ 72,815</u>

Deposits: Deposits are either: (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by securities specifically pledged by the financial institution to the District or (3) collateralized by the financial institution's public entity deposit pool.

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

4. DEBT

Debt outstanding at December 31, 2013 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ambulance Cots Loan	\$ 7,480	0.00%
Land Purchase	<u>2,400</u>	0.00%
 Total	 <u><u>\$ 9,880</u></u>	

The beginning debt balance was understated by \$14,960.

In 2010, the District obtained a \$24,700 five-year loan from Stryker Finance to purchase two PowerPro Ambulance Cots. It is to be repaid in 5 installments of \$3,740 and a down payment of \$6,000 from the General Fund.

During 1997, the District purchased land from Blanchard Township for \$12,000. The annual debt payments are \$600, with no interest, for a period of twenty years.

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

Year Ending December 31:	Ambulance Cots	Land	Total
	<u>Loan</u>	<u>Purchase</u>	
2014	\$ 3,740	\$ 600	\$ 4,340
2015	3,740	600	4,340
2016	-	600	600
2017	-	600	600
Total	<u><u>\$ 7,480</u></u>	<u><u>\$ 2,400</u></u>	<u><u>\$ 9,880</u></u>

5. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2013 and 2012 is as follows:

2013 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
Fund Type			
General	\$75,271	\$126,867	\$51,596
Debt Service	6,158	6,158	0
Total	<u><u>\$81,429</u></u>	<u><u>\$133,025</u></u>	<u><u>\$51,596</u></u>

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

5. BUDGETARY ACTIVITY – (Continued)

2013 Budgeted vs. Actual Budgetary Basis Disbursements

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$132,657	\$131,935	\$722
Debt Service	6,158	6,158	0
Total	<u>\$138,815</u>	<u>\$138,093</u>	<u>\$722</u>

2012 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$70,945	\$68,412	(\$2,533)
Debt Service	12,676	12,676	0
Total	<u>\$83,621</u>	<u>\$81,088</u>	<u>(\$2,533)</u>

2012 Budgeted vs. Actual Budgetary Basis Disbursements

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$79,259	\$77,596	\$1,663
Debt Service	12,676	12,676	0
Total	<u>\$91,935</u>	<u>\$90,272</u>	<u>\$1,663</u>

6. DEFINED BENEIT PENSION PLAN

The District's employees belong to the Ohio Public Employees Retirement System (OPERS), a state operated, cost sharing, multiple employer plans. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. OPERS members contributed 10% in 2012 and 2013 of their gross pay while the District contributed an amount equal to 14% of covered payroll for both years. The District paid all required contributions through 2013.

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The District pays the State Worker's Compensation System a premium based on a flat fee. The fee is calculated based on accident history and administrative costs.

8. SUBSEQUENT EVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS

Blanchard Dunkirk Washington Joint Ambulance District
Hardin County
110 South Main Street
Dunkirk, Ohio 45836

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, (the District) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated July 25, 2014, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-BDW-01 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2013-BDW-01.

We also noted certain matters that we have reported to management of the District in a separate letter dated July 25, 2014.

Entity's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CHARLES E. HARRIS & ASSOCIATES, INC.

July 25, 2014

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY
SCHEDULE OF FINDINGS
For the Years Ended December 31, 2013 and 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-BDW-01

Material Weakness / Noncompliance Citation

Ohio Rev. Code Section 5705.09(C) requires each subdivision to establish a bond retirement fund, for the retirement of serial bonds, notes, or certificates of indebtedness. Additionally, Blanchard Dunkirk Washington Joint Ambulance District Resolution #09-01 states that a bond retirement fund is to be established for the payment of principal and interest. Furthermore, Ohio Rev. Code Section 5705.09(E) requires a subdivision to establish a special fund for each bond issue.

The District did not establish a bond retirement to account for the 2013 and 2012 tax levy proceeds of \$18,834 and the interest plus principal payment of \$18,834 on the tax anticipation note issued by the District. The accompanying financial statements and the accounting records have been adjusted to present the required funds.

The District should provide the County Auditor with a copy of the amortization schedule for the tax anticipation note. This will allow the County Auditor at each settlement date to allocate a portion of the tax levy to the Debt Service Fund. The District should review all debt resolutions, debt agreements, Ohio Revised Code, and governmental resources such as those found on the Auditor of State website to provide for establishment of all required funds. The District should also include this debt service fund in the annual report filed with the Auditor of State.

Management Response:

Management did provide an amortization schedule to the County Auditor but that office will not allocate property taxes to the debt service fund without a specific levy. We will continue to track the debt activity within the debt service fund and will separate it in the annual report.

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT
HARDIN COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2013 and 2012**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2011-BDW-01	Ohio Revised Code Section 5705.09(C) – District failed to establish the proper fund for the payment of debt	No	Repeated as 2013- BDW-01

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Dave Yost • Auditor of State

BLANCHARD DUNKIRK WASHINGTON JOINT 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
OCTOBER 2, 2014**