



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA
Auditor of State

Blanchard Dunkirk Washington Joint Ambulance District
Hardin County
P.O. Box 95
Dunkirk, Ohio 45836

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 14, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Blanchard Dunkirk Washington Joint Ambulance District
Hardin County
P.O. Box 95
Dunkirk, Ohio 45836

To the Board of Trustees:

We have audited the accompanying financial statements of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County (the District), as of and for the years ended December 31, 2009 and 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. 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 GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. 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 matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 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, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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The District has not presented 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 14, 2010

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Governmental Funds			Total Memorandum Only)
	General	Debt Service	Capital Projects	
Cash Receipts:				
Property Taxes	\$38,298	\$903		\$39,201
Intergovernmental	8,434			8,434
Grants	8,000			8,000
Charges for Services	7,962			7,962
Miscellaneous	1,318			1,318
Earnings on Investments	193			193
Memorial	190			190
Total Cash Receipts	64,395	903		65,298
Cash Disbursements:				
Current:				
Equipment	15,196		\$29,900	45,096
Insurance	8,579			8,579
Utilities	5,249			5,249
Salaries, Retirement, & Taxes	5,184			5,184
Computer Software	3,850			3,850
Grant Expense	3,417			3,417
Uniforms-Clothing	1,579			1,579
In Service Expense	1,315			1,315
Bureau Workers Compensation	957			957
Miscellaneous	850			850
Fuel	732			732
Oxygen	672			672
Shop Supplies	517			517
Legal Fees	500			500
MARCS Annual Fee	480			480
Internet Service	479			479
Building Maintenance	443			443
Office Supplies	283			283
Repairs - Equipment	177			177
Drug Licnse Renewal	150			150
Postage	130			130
Training	60			60
Advertisement	40			40
Hardin Co. Tax Assessment	12			12
Debt Service:				
Land	600			600
Interest		903		903
Total Disbursements	51,451	903	29,900	82,254
Total Receipts Over/(Under) Disbursements	12,944		(29,900)	(16,956)
Other Financing Sources:				
Tax Anticipation Note Proceeds			29,900	29,900
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	12,944			12,944
Fund Cash Balances, January 1	43,187			43,187
Fund Cash Balances, December 31	\$56,131	\$0	\$0	\$56,131

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

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General
Cash Receipts:	
Property Taxes	\$38,724
Charges for Services	13,430
Intergovernmental	9,687
Miscellaneous	1,867
Earnings on Investments	556
Memorial	40
Total Cash Receipts	64,304
 Cash Disbursements:	
Current:	
Grant Expense	9,025
Insurance	8,006
Salaries, Retirement, & Taxes	5,281
Utilities	5,142
Equipment	3,481
Co. Auditor / Co. Treasurer Fees	2,673
Shop Supplies	2,553
Audit Expense	2,475
Fuel	1,572
Repairs - Vehicles	1,366
In Service Expense	1,075
Bureau Workers Compensation	1,059
Training	960
Miscellaneous	581
Oxygen	527
MARCS Annual Fee	480
Building Maintenance	449
Internet Service	438
Office Supplies	316
Uniforms-Clothing	293
Drug License Renewal	150
Postage	133
Printing	74
Medicare Late Filing Fees	30
Advertisement	17
Hardin Co. Tax Assessment	12
Debt Service:	
Land	600
Total Disbursements	48,768
Total Receipts Over Disbursements	15,536
Fund Cash Balance, January 1	27,651
Fund Cash Balance, December 31	\$43,187

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 present all activities for which the District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District 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).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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.

The District values certificates of deposit at cost.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Debt Service Fund

These funds account 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 pay for the debt service on the tax anticipation notes.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Fund

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The District had the following Capital Project Fund:

Ambulance Fund – The fund receives debt proceeds which are used for the purchase of ambulances.

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 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 individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. 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.

2. EQUITY IN POOLED DEPOSITS

The District maintains a deposit all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	<u>2009</u>	<u>2008</u>
Demand deposits	\$51,102	\$28,851
Certificates of deposit	5,029	14,336
Total deposits	<u>\$56,131</u>	<u>\$43,187</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$47,998	\$64,395	\$16,397
Debt Service	903	903	
Capital Projects	29,900	29,900	
Total	<u>\$78,801</u>	<u>\$95,198</u>	<u>\$16,397</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$68,600	\$51,451	\$17,149
Debt Service	903	903	
Capital Projects	29,900	29,900	
Total	<u>\$99,403</u>	<u>\$82,254</u>	<u>\$17,149</u>

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$63,350</u>	<u>\$64,304</u>	<u>\$954</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$56,850</u>	<u>\$48,768</u>	<u>\$8,082</u>

The District failed to establish a bond retirement fund as required by Ohio Revised Code Section 5705.09(C) and the Blanchard Dunkirk Washington Joint Ambulance District Resolution #09-01. In addition, the District did not establish a capital projects fund to account for the bond proceeds as required by Ohio Revised Code Section 5705.09(E)

4. 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. DEBT

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Tax Anticipation Notes	\$29,900	5.99%
Land Purchase	4,800	0.00%
Total	\$34,700	

In April 2009, the District issued \$29,900 tax anticipation notes to finance the purchase of a 2005 ambulance. The District's taxing authority collateralized the notes. The notes expire in May 2014.

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:	Tax Anticipation Notes	Land Purchase	Total
2010	\$ 7,590	\$ 600	\$ 8,190
2011	7,232	600	7,832
2012	6,877	600	7,477
2013	6,516	600	7,116
2014	6,158	600	6,758
2015-2017		1,800	1,800
Total	\$34,373	\$4,800	\$39,173

6. RETIREMENT SYSTEM

The District's employees and officials belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



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Auditor of State

INDEPENDENT ACCOUNTANTS' 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
P.O. Box 95
Dunkirk, Ohio 45836

To the Board of Trustees:

We have audited the financial statements of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County (the District) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 14, 2010 wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District'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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. 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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 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, providing an opinion 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 009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 14, 2010.

We intend this report solely for the information and use of the Board of Trustees and management. We intend it for no one other than these specified parties.

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Mary Taylor, CPA
Auditor of State

May 14, 2010

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

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 2009 tax levy proceeds of \$903 and the interest payment of \$903 on the tax anticipation note issued by the District. The District did not establish a capital projects fund to account for the 2009 tax anticipation note proceeds of \$29,900 and the related purchase of an ambulance for \$29,900. 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 web site to provide for establishment of all required funds.

OFFICIALS' RESPONSE: We did not receive a response from Officials to this finding.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Format of annual report	No	Partially corrected – repeated in the management letter
2007-002	ORC 5705.41(B) – Actual Expenditures > Appropriations at legal level of control	Yes	



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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
JUNE 10, 2010**