



**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Appleseed Joint Ambulance District
Hancock County
516 North Main Street
P.O. Box 678
Arlington, Ohio 45814-0678

To the Board of Trustees:

We have audited the accompanying financial statements of Appleseed Joint Ambulance District, Hancock County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits 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 audits 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 audits provide 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, 2000 and 1999, 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 June 20, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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 § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 20, 2001

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Debt Service	
Cash Receipts:			
Local Taxes	\$33,208	\$16,556	\$49,764
Intergovernmental	6,402		6,402
Charges for Services	10,485		10,485
Earnings on Investments	1,834		1,834
Miscellaneous	2,255		2,255
Total Cash Receipts	54,184	16,556	70,740
Cash Disbursements:			
Current:			
Salary - Clerk	2,220		2,220
Supplies - Administrative	4,054		4,054
Equipment - Administrative	22,510		22,510
Insurance	5,007		5,007
Legal	167		167
Employer's PERS and Medicare	328		328
Workers Compensation	64		64
County Auditor and Treasurer Fees	915		915
Other Expenses - Vehicle Maintenance	180		180
Utilities	1,599		1,599
Maintenance Supplies and Materials	953		953
Other Expenses - Buildings and Grounds	540		540
Debt Service - Principal		13,511	13,511
Debt Service - Interest		3,045	3,045
Total Disbursements	38,537	16,556	55,093
Total Receipts Over Disbursements	15,647		15,647
Fund Cash Balances, January 1	33,051		33,051
Fund Cash Balances, December 31	\$48,698		\$48,698

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

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

**COMBINED 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>Debt Service</u>	
Cash Receipts:			
Local Taxes	\$23,871	\$16,556	\$40,427
Intergovernmental	7,764		7,764
Charges for Services	6,233		6,233
Earnings on Investments	1,483		1,483
Miscellaneous	150		150
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	39,501	16,556	56,057
Cash Disbursements:			
Current:			
Salary - Clerk	2,000		2,000
Supplies - Administrative	2,272		2,272
Equipment - Administrative	13,461		13,461
Insurance	4,930		4,930
Employer's PERS and Medicare	300		300
Workers Compensation	249		249
State Audit Fees	1,571		1,571
County Auditor and Treasurer Fees	700		700
Election Expenses	386		386
Other Expenses - Vehicle Maintenance	180		180
Improvement of Site	16,079		16,079
Utilities	1,461		1,461
Maintenance Supplies and Materials	931		931
Equipment Purchases and Replacement	1,013		1,013
Other Expenses - Buildings and Grounds	540		540
Debt Service - Principal		12,694	12,694
Debt Service - Interest		3,862	3,862
	<hr/>	<hr/>	<hr/>
Total Disbursements	46,073	16,556	62,629
Total Disbursements Over Receipts	(6,572)		(6,572)
Fund Cash Balances, January 1	39,623		39,623
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$33,051</u>	<u>\$33,051</u>	<u>\$33,051</u>

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

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Appleseed Joint Ambulance District, Hancock 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 was created in March 1982 under § 505.71, Ohio Revised Code with the following subdivisions: Van Buren Township, Madison Township, Eagle Township, Village of Jenera, and Village of Arlington. The Board of Trustees consists of one member appointed by each subdivision. The District provides emergency medical services and transportation.

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. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the retirement of District debt. The District had a debt service fund that receives property taxes to retire note debt for the purchase of a new ambulance.

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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 commitments are made. The District did not encumber all commitments required by Ohio Law.

A summary of 2000 and 1999 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>2000</u>	<u>1999</u>
Demand deposits	\$28,292	\$33,051
Certificates of deposit	20,406	
Total deposits	<u>\$48,698</u>	<u>\$33,051</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$53,925	\$54,184	\$259
Debt Service	16,556	16,556	
Total	\$70,481	\$70,740	\$259

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$74,670	\$38,537	\$36,133
Debt Service	16,556	16,556	
Total	\$91,226	\$55,093	\$36,133

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$41,049	\$39,501	(\$1,548)
Debt Service	16,556	16,556	
Total	\$57,605	\$56,057	(\$1,548)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$53,925	\$46,073	\$7,852
Debt Service	16,556	16,556	
Total	\$70,481	\$62,629	\$7,852

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. COMPLIANCE

The Clerk did not certify funds as required by Ohio Revised Code § 5705.41(D).

5. 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 payments, 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.

6. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$37,732	6.25%

The general obligation notes were issued to finance the purchase of a new ambulance. The notes are collateralized solely by the District's taxing authority.

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

Year Ending December 31:	General Obligation Notes
2001	\$16,556
2002	16,556
2003	8,278
Total	\$41,390

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. RETIREMENT SYSTEM

The District's Clerk belongs 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. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% and 10.84% of participant's gross salaries for 1999 and 2000, respectively. The District has paid all contributions required through December 31, 2000.

8. RISK MANAGEMENT

The District is a member of the Public Entities Pool of Ohio, a local government risk pool. The Pool assumes the risk of loss up to the limits of the District's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Real and personal property;
- Vehicles; and
- Miscellaneous property.

9. SUBSEQUENT EVENTS

The District contracted with RODCO Excavating and Mechanical Corp. on March 12, 2001 for the demolition of the feed mill located on property owned by the District. The amount of the contract is \$12,500.

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

Appleseed Joint Ambulance District
Hancock County
516 North Main Street
P.O. Box 678
Arlington, Ohio 45814-0678

To the Board of Trustees:

We have audited the accompanying financial statements of Appleseed Joint Ambulance District, Hancock County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 20, 2001. We conducted our audits 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.

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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2000-40232-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated June 20, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 20, 2001.

Appleseed Joint Ambulance District
Hancock 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.

Jim Petro
Auditor of State

June 20, 2001

**APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2000-40232-001

Noncompliance Citation

Ohio Revised Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment 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 encumbrance. Further, contracts and orders for expenditures lacking prior certification should be considered null and void.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - if no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the purchase order or contract and at the time of the certificate, appropriated and free of any previous encumbrance, the Trustees may authorize the issuance of a check in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1000, the fiscal officer may authorize it to be paid without the affirmation of the Trustees, if such expenditure is otherwise valid.

Forty percent of the transactions tested were not certified by the Clerk. This procedure is not only required by Ohio law but is also a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of District funds being over expended or exceeding budgetary spending limitations as set by the Trustees.

To improve controls over disbursements we recommend all District disbursements, receive prior certification of the Clerk. In addition, the Trustees should periodically review the expenditures made to ensure they are within appropriations adopted by the Trustees certified by the Clerk and recorded against appropriations.

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APPLESEED JOINT AMBULANCE DISTRICT
HANCOCK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
1998-40232-001	ORC § 5705.41(D) certification of expenditures.	No	This finding has been repeated in this report.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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APPLESEED JOINT AMBULANCE DISTRICT

HANCOCK 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
JULY 17, 2001**