



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
PO 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

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May 28, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Blanchard Dunkirk Washington Joint Ambulance District
Hardin County
PO 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, 2007 and 2006. 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.

GAAP requires 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 governments 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, 2007 and 2006 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, 2007 and 2006, 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 fund cash balances of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, as of December 31, 2007 and 2006, and its 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 28, 2008, 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 28, 2008

**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, 2007**

Cash Receipts

Contracts	\$19,749
Ambulance Runs	8,526
State EMS Grant	7,500
Public Utilities Reimbursement	1,460
Interest	642
Miscellaneous Income	564
Insurance Claim Reimbursement	358
Total Cash Receipts	38,799

Cash Disbursements

Ads	34
Bond	100
Building Maintenance	360
City Tax	37
Drug license Renewal Fees	150
Dues	150
Educational Materials	375
Electric	722
Equipment	211
Gasoline	1,111
Heating Gas	1,552
In-Service Expense	1,255
Insurance	7,991
MARCS Grant Expense	960
Miscellaneous	694
Office Supplies	166
Oxygen	720
Payroll	4,120
OPERS	1,027
Postage and Stamps	123
Printing	26
Repair-Vehicle	235
State Grant Expense	7,062
Supplies	1,628
Taxes	12
Telephone	2,162
Water and Sewer	226
Workers Compensation	922
Debt Service - Principal	600
Total Cash Disbursements	34,731

Receipts Over Disbursements	4,068
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Fund Cash Balance, January 1	23,583
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Fund Cash Balance, December 31	\$27,651
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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, 2006**

Cash Receipts

Contract Revenue	\$18,810
Ambulance Run Revenue	7,263
Grant Revenue	7,000
Public Utilities Reimbursement	2,736
Interest	620
Insurance Claim Reimbursement	577
Total Cash Receipts	<u>37,006</u>

Cash Disbursements

Ads	18
Audit	2,140
Bond	100
Building Maintenance	1,044
City Tax	36
Drug license Renewal Fees	150
Electric	1,097
Equipment	2,032
Gasoline	762
Heating Gas	1,484
In-Service Expense	1,450
Insurance	7,944
MARCS Grant Expense	120
Miscellaneous	544
Office Supplies	6
Oxygen	623
Payroll	3,900
OPERS	1,047
Postage and Stamps	124
Printing	273
Repair-Building	827
Repair-Vehicle	1,557
State Grant Expense	7,612
Supplies	791
Taxes	6
Telephone	1,861
Water and Sewer	174
Workers Compensation	865
Debt Service - Principal	600
Total Cash Disbursements	<u>39,187</u>

Receipts (Under) Disbursements (2,181)

Fund Cash Balance, January 1 25,764

Fund Cash Balance, December 31 \$23,583

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, 2007 AND 2006**

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. Cash 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 fund into the following type:

1. General Fund

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reappropriated in the subsequent year.

A summary of 2007 and 2006 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 CASH AND INVESTMENTS

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

	2007	2006
Demand deposits	\$13,813	\$10,312
Certificates of deposit	13,838	13,271
Total deposits	\$27,651	\$23,583

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$31,363	\$38,799	\$7,436
	\$31,363	\$38,799	\$7,436

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$31,363	\$34,731	(\$3,368)
	\$31,363	\$34,731	(\$3,368)

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,322	\$37,006	\$6,684

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$30,322	\$39,187	(\$8,865)

The District had expenditures greater than appropriations at the legal level of control and at the fund level. This violated the requirements of Ohio Rev. Code Section 5705.41(B).

4. DEBT

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. Blanchard Township is withholding this annual payment from the ambulance contract with the District. At December 31, 2007, the total outstanding debt on this land purchase was \$6,000.

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

Year ending December 31:	0% Land Purchase
2008	\$600
2009	600
2010	600
2011	600
2012	600
2013-2017	3,000
Total	\$6,000

5. RETIREMENT SYSTEMS

The District's employees 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 2007 and 2006, OPERS members contributed 9.5 and 9%, respectively, of their gross salaries and the District contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



Mary Taylor, CPA

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
PO 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, 2007 and 2006, and have issued our report thereon dated May 28, 2008, wherein we noted the District followed accounting practices the Auditor of State prescribes 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-002.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control Over Financial Reporting
(Continued)**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe the significant deficiency described as finding number 2007-001 is also a material weakness.

We noted certain internal control matters that we reported to the District's management in a separate letter dated May 28, 2008.

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 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 28, 2008.

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



Mary Taylor, CPA
Auditor of State

May 28, 2008

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

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

FINDING NUMBER 2007-001

Material Weakness

Format and Activity Presented in the Annual Financial Statements

The annual financial statements of the District should be presented in a manner that is consistent with the presentation used by governmental entities. The District prepared annual financial statements; however, the financial statements did not include the beginning 2006 and 2007 General Fund balances, in the amount of \$25,764 and \$23,583, respectively, or the ending 2006 and 2007 General Fund balances in the amount of \$23,583 and \$27,651, respectively. General Fund receipts of \$36,406 in 2006 and \$38,199 in 2007 were reflected as inflows instead of cash receipts. General Fund disbursements of \$38,587 in 2006 and \$34,131 in 2007 were reflected as outflows instead of cash disbursements. The change in fund balance for each year was reflected as overall total versus receipts over (under) disbursements.

In addition, the 2006 and 2007 financial statements did not reflect the \$600 withheld from an ambulance contract for the purchase of land as contract revenue and debt service. The 2006 financial statements reflected a transfer from a savings account to the checking account, in the amount of \$800, as an inflow/cash receipt and outflow/cash disbursement.

The accompanying financial statements have been adjusted to properly reflect the financial activity and balances of the District.

The failure to prepare financial statements that are consistent with the presentation used by governmental entities not only inhibits the user's ability to fully understand the results of operations but may also result in material financial statement reporting errors.

The District should utilize governmental accounting resources such as those provided on the Auditor of State website when preparing annual financial statements.

FINDING NUMBER 2007-002

Significant Deficiency/Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. During 2006 and 2007, the District had General Fund expenditures greater than appropriations, in the amount of \$8,865 and \$3,368, respectively. In addition, the following General Fund line items had actual expenditures which exceed appropriations at the legal level of budgetary control:

<u>Year</u>	<u>Line Account</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
2006	Building Maintenance	\$340	\$1,044	(\$704)
2006	Equipment	1,000	2,032	(1,032)
2006	Heating Gas	1,200	1,484	(284)
2006	In-Service Expense	1,350	1,450	(100)
2006	Printing	100	273	(173)
2006	State Grant Expense	5,747	7,612	(1,865)
2006	Supplies	500	791	(291)
2007	Dues	75	150	(75)
2007	Educational Materials		375	(375)
2007	Gas	800	1,111	(311)
2007	MARCS Grant Expense	120	480	(360)
2007	Miscellaneous	569	694	(125)
2007	Oxygen	650	720	(70)
2007	State Grant Exp.		7,062	(7,062)
2007	Supplies	1,000	1,628	(628)

The Board's failure to review budget versus actual expenditure activity resulted in the District failing to comply with the budgetary requirements of this Ohio Rev. Code Section. The variances between the appropriations and actual expenditures were significant to the financial activity of the District. In addition, the failure to monitor budgetary activity could have resulted in deficit spending by the District.

The District's Clerk should present budget versus actual expenditure and receipt reports to the Board. The Board should use these reports to help identify negative trends in expenditures and receipts so that corrective action can be taken in a timely manner. The Board's review of these reports should be at the legal level of budgetary control and be documented in the minutes of the District.

OFFICIALS' RESPONSE:

The District chose not to respond to the findings disclosed above.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Ohio Rev. Code Section 9.39 – a District receipt was deposited with a different political subdivision	Yes	
2005-002	Ohio Rev. Code Section. 135.13 – the District held a certificate of deposit with a maturity period greater than 1 year.	Yes	



Mary Taylor, CPA
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
JULY 15, 2008