



**QUAD AMBULANCE DISTRICT  
STARK COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001-2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



QUAD AMBULANCE DISTRICT  
STARK COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Quad Ambulance District  
Stark County  
6930 Minerva Road  
Waynesburg, Ohio 44688

To the Board of Trustees:

We have audited the accompanying financial statements of Quad Ambulance District, Stark County, Ohio (the District) as of and for the years ended December 31, 2001 and 2000. 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 and reserves for encumbrances of Quad Ambulance District as of December 31, 2001 and 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2002 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 the 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.

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

**Jim Petro**  
Auditor of State

July 10, 2002

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**QUAD AMBULANCE DISTRICT  
STARK COUNTY**

**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - GENERAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	<b>General Fund</b>	
	<b>2001</b>	<b>2000</b>
<b>Cash Receipts:</b>		
Local Taxes	\$91,798	\$94,025
Interest	5,966	4,766
Other	18,317	14,486
Total Cash Receipts	116,081	113,277
<b>Cash Disbursements:</b>		
General Government	12,006	12,271
Public Safety	59,598	41,407
Miscellaneous	5,516	4,563
Capital Outlay	18,126	14,134
Contract Services	6,592	7,403
Supplies and Materials	4,525	5,646
Total Cash Disbursements	106,363	85,424
Total Receipts Over Disbursements	9,718	27,853
Fund Cash Balance, January 1	161,417	133,564
<b>Fund Cash Balance, December 31</b>	<b>\$171,135</b>	<b>\$161,417</b>
Reserves for Encumbrances, December 31	\$0	\$0

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

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**QUAD AMBULANCE DISTRICT  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Quad Ambulance District, Stark County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an appointed four-member Board of Trustees. One board member is appointed by each political subdivision within the District. Those subdivisions are the Village of Magnolia, the Village of Waynesburg, Sandy Township and Rose Township. The District provides ambulance services within the subdivisions and by contract to areas outside the subdivisions.

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**

Investments are included in the fund cash balance. 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.

Certificate of deposits are valued at cost.

**D. Fund Accounting**

The District has only one fund. The General Fund is the general operating fund and is used to account for all financial resources.

**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.

**QUAD AMBULANCE DISTRICT  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Budgetary Process (continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

During 2001 and 2000, the District utilized blanket certificates (purchase orders) which exceeded a period of 3 months in violation of Ohio Rev. Code Section 5705.41(D).

A summary of 2001 and 2000 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 Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	2001	2000
Demand deposits	\$71,774	\$66,999
Certificates of Deposits	99,361	94,418
Total deposits	\$171,135	\$161,417

**Deposits:** At December 31, 2001 and 2000 deposits up to \$100,000 were insured by Federal Depository Insurance Corporation. However, deposits of \$71,135 and \$61,417 as of December 31, 2001 and 2000, respectively, were not collateralized contrary to Ohio law.

**QUAD AMBULANCE DISTRICT  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$125,074	\$116,081	(\$8,993)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$231,978	\$106,363	\$125,615

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$125,012	\$113,227	(\$11,785)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$252,700	\$85,424	\$167,276

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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. 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.

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.

**QUAD AMBULANCE DISTRICT  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. RETIREMENT SYSTEM**

All employees of the District belong to the Public Employees Retirement System (PERS) of Ohio. PERS is 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained Commercial Inland Marine insurance for the following risks:

- Comprehensive property
- Business personal property
- Portable ambulance equipment



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

Quad Ambulance District  
Stark County  
6930 Minerva Road  
Waynesburg, Ohio 44688

To the Board of Trustees:

We have audited the accompanying financial statements of Quad Ambulance District, Stark County, Ohio (the District) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated July 10, 2002. 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 the 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 instances of noncompliance which are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2001-41276-001 and 2001-41276-002.

We also noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated July 10, 2002.

**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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated July 10, 2002.

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and "P".

**Jim Petro**  
Auditor of State

July 10, 2002

**QUAD AMBULANCE DISTRICT  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Noncompliance**

**FINDING NUMBER 2001-41276-001**

**Ohio Rev. Code Section 135.18** requires the treasurer of any public subdivision to require all depositories holding public funds to provide security for those public funds in an amount equal to the amount of deposit with the institution.

The District had funds on deposit with a financial institution at December 31, 2001 and 2000 in the amount of \$71,136 and \$61,417, respectively, which were not collateralized. To ensure public deposits are secured by either the federal deposit insurance, surety company bonds, or pledged securities, the Clerk-Treasurer should require the financial institution to provide security for those public funds deposited.

**FINDING NUMBER 2001-41276-002**

**Ohio Rev. Code Section 5705.41(D)** states that fiscal officers may prepare "blanket" certificates not exceeding \$5,000 against any specific line item account over a period not exceeding 3 months or running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. In addition to these blanket certificates, a subdivision may also make expenditures and contracts from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. This "super blanket" certification is not to extend beyond the fiscal year.

During 2001 and 2000, the District issued blanket certificates for 87% of the transactions we tested. All of these blanket certificates opened were beyond three months. The Clerk should ensure that open blanket certificates do not exceed three months. In addition, the Clerk should determine if the District can utilize super blanket certificates for professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**QUAD AMBULANCE DISTRICT**

**STARK COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 27, 2002**