



**BLANCHARD DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004



**Auditor of State
Betty Montgomery**

**BLANCHARD DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

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**Auditor of State
Betty Montgomery**

Blanchard Dunkirk Ambulance District
Hardin County
P.O. Box 95
101 South Main Street
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 a February 2, 2005 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 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.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

July 24, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Blanchard Dunkirk Ambulance District
Hardin County
P.O. Box 95
101 South Main Street
Dunkirk, Ohio 45836

To the Board of Trustees:

We have audited the accompanying financial statements of the Blanchard Dunkirk Ambulance District, Hardin County, (the "District"), as of and for the years ended December 31, 2005 and 2004. 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.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, 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, 2005 and 2004 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, 2005 and 2004, 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 balance of the District, as of December 31, 2005 and 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. 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 July 24, 2006, 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.



Betty Montgomery
Auditor of State

July 24, 2006

**BLANCHARD DUNKIRK VALLEY AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

Cash Receipts:	
2003 Runs	\$162
2004 Runs	4,431
2005 Runs	4,075
Contracts	17,100
Grant	1,500
Interest Income	311
Memorial	20
Public Utilities Reimbursement	912
State Grant	16,147
Miscellaneous Income	630
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Total Cash Receipts	45,288
Cash Disbursements:	
Operating Expenses:	
Ads	57
Bond	100
Building Maintenance	321
City Tax	36
Computer Software	25
Drug license Renewal Fees	150
Dues	75
Electric	1,234
Equipment	923
Gas	1,148
Heating Gas	1,102
In Service Expense	1,310
Insurance	8,656
MARCS Grant Expense	8,205
Medicare	46
Miscellaneous	619
Office Supplies	147
Oxygen	702
Payroll	3,860
PERS	914
Postage and Stamps	74
Printing	26
Repair-Vehicle	1,171
State Grant Expense	4,361
Supplies	450
Taxes	6
Telephone	1,836
Training-Tuition	2,115
Water and Sewer	164
Workers Compensation	1,030
Debt Retirement - Principal	600
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Total Cash Disbursements	41,463
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Total Receipts Over Disbursements	3,825
Other Financing Receipts	
Sale of Fixed Assets	500
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Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	4,325
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Fund Cash Balance, January 1	21,439
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Fund Cash Balance, December 31	<u><u>\$25,764</u></u>

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

**BLANCHARD DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

Cash Receipts:

2000 Runs	\$25
2001 Runs	85
2002 Runs	100
2003 Runs	4,020
2004 Runs	1,915
Contracts	16,215
Interest Income	224
Public Utilitis Reimbursement	1,824
Small Claims	50
State Grant	14,624
Miscellaneous Income	<u>42</u>
 Total Cash Receipts	 <u>39,124</u>

Cash Disbursements:

Operating Expenses:	
Audit	1,987
Bond	200
Building Maintenance	337
City Tax	44
Claims Court	50
Drug license Renewal Fees	165
Dues	75
Electric	751
Equipment	1,501
Gas	801
Heating Gas	1,008
In Service Expense	1,870
Insurance	9,019
Lawsuit	57
Miscellaneous	340
Office Supplies	231
Oxygen	954
Payroll	3,740
PERS	900
Postage and Stamps	222
Printing	269
Repair-Vehicle	1,248
State Grant Expense	8,259
Supplies	1,462
Taxes	6
Telephone	1,751
Training-Tuition	575
Uniform-Clothing	1,348
Water and Sewer	159
Workers Compensation	736
Debt Retirement - Principal	<u>600</u>
 Total Cash Disbursements	 <u>40,665</u>

Total Receipts (Under) Disbursements (1,541)

Fund Cash Balance, January 1 22,980

Fund Cash Balance, December 31 **\$21,439**

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

**BLANCHARD DUNKIRK VALLEY AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

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 Ambulance District, Hardin County, (the "District"), as a body corporate and politic. A two-member Board of Trustees governs the District. One board member is appointed by each political subdivision within the District. Those subdivisions are Blanchard Township and the Village of Dunkirk. The District provides rescue services within the District and by contract to areas outside the District.

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 the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis 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 adequately disclose material matters the Auditor of State prescribes.

C. Cash and Investments

The accounting basis includes investments as assets. Accordingly, investment purchases are not recorded as disbursements, and investment sales are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District has the following type:

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. Unencumbered appropriations lapse at year end.

**BLANCHARD DUNKIRK VALLEY AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(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 2005 and 2004 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. CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2005	2004
Demand deposits	\$8,592	\$547
Certificates of deposit	17,172	20,892
Total Deposits	\$25,764	\$21,439

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or the National Credit Union Share Insurance Fund.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,866	\$45,788	\$6,922

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$42,031	\$41,463	\$568

**BLANCHARD DUNKIRK VALLEY AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$36,615	\$39,124	\$2,509

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,473	\$40,665	(\$192)

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, 2005, the total outstanding debt on this land purchase was \$7,200.

5. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, members of OPERS were required to contribute 8.5 percent of their gross salaries. The District was required to contribute an amount equaling 13.55 percent of participants' gross salaries. The District paid both the employee and employer share of OPERS. The District has paid all contributions required through December 31, 2005.

6. RISK MANAGEMENT

Commercial Insurance

The Blanchard Dunkirk Ambulance 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 Betty Montgomery

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

Blanchard Dunkirk Ambulance District
Hardin County
P.O. Box 95
101 South Main Street
Dunkirk, Ohio 45836

To the Board of Trustees:

We have audited the financial statements of the Blanchard Dunkirk Ambulance District, Hardin County, (the "District"), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated July 24, 2006, 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. However, in a separate letter to the District's management dated July 24, 2006, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-001 and 2005-002. In a separate letter to the District's management dated July 24, 2006, we reported other matters related to noncompliance we deemed immaterial.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

Blanchard Dunkirk Ambulance District
Hardin County
Independent Accountants' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the management, and the Board of Trustees. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

July 24, 2006

**BLANCHARD DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2005-001

Finding for Recovery / Repaid Under Audit

Ohio Rev. Code Section 9.39 states that all public officials are liable for all public money received or collected by them or by their subordinates under color of office. Kathy Schroeder, Fiscal Officer for the Blanchard Dunkirk Ambulance District, was responsible for collecting and depositing revenue for the District. The first half 2005 payment for an electric/gas reimbursement, in the amount of \$912, was incorrectly deposited by the Fiscal Officer into the bank account of the Northern Hardin County Fire District. Ms. Schroeder is the Fiscal Office for both entities.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code Section 117.28**, a Finding for Recovery for public money collected but not accounted for, is hereby rendered against, Kathy Schroeder, Fiscal Officer, and her bonding company Western Surety Company, jointly and severally, in the amount of nine hundred and twelve dollars (\$912), and in favor of the Blanchard Dunkirk Ambulance District's General Fund.

On July 24, 2006, the Northern Hardin County Fire District repaid this finding for recovery with check number 2277. This check was deposited into the District's bank account on July 25, 2006

FINDING NUMBER 2005-002

Ohio Rev. Code Section 135.13 states that interim deposits shall be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including, but not limited to, pass book accounts. In addition, **Ohio Rev. Code Section 135.03** states eligible depositories include national banks and banks defined in ORC Section 1101.01. **Ohio Rev. Code Section 1101.01(B)** states that a "Bank" means a corporation that solicits, receives, or accepts money or its equivalent for deposit as a business, whether the deposit is made by check or is evidenced by a certificate of deposit, passbook, note, receipt, ledger card, or otherwise. "Bank" also includes a state bank or a corporation doing business as a bank or savings bank under authority granted by the bank regulatory authority of another state of the United States or another country, but does not include a savings association, savings bank, or credit union.

The District had a certificate of deposit which has a term of 24 months, which violates **Ohio Rev. Code 135.13**. In addition, this certificate of deposit and a savings account were invested with a local credit union, which is not an eligible depository according to **Ohio Rev. Code Section 135.03**.

Monitoring procedures should be implemented by the District to help assure compliance with the Ohio Rev. Code Sections referenced above.

OFFICIALS' RESPONSE

We did not receive responses from Officials to these findings.

**BLANCHARD DUNKIRK AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2003-001	ORC Sec. 135.13, 135.03, & 1101.01 (B) - Interim deposits in excess of one year and invested at ineligible depositories	No	Repeated as finding 2005-002
2003-002	ORC Sec. 5705.38 & 5705.41(B) - The District failed to adopt timely appropriation measures	No	Repeated in the management letter
2003-003	ORC Sec. 5705.41 (D) – The fiscal failed to certify availability of funds prior to expenditures	No	Repeated in the management letter
2003-004	26 CFR Sec. 1.6041-2 - The District failed to issue of W-2's	Yes	Fully corrected
2003-005	The District's Board should adopt and monitor an annual budget	Yes	Fully corrected



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

BLANCHARD DUNKIRK AMUBLANCE 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
SEPTEMBER 7, 2006**