



**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



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

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**STATE OF OHIO**



**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Tri Valley Fire District  
Logan County  
P.O. Box 162  
Zanesfield, Ohio 43360

To the Board of Trustees:

We have audited the accompanying financial statements of Tri Valley Fire District, Logan County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 audit 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 audit provides 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, 1999 and 1998, 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 August 18, 2000 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.

This report is intended solely for the information and use of the management, and the Board of Trustees, and other officials authorized to receive this report under Section 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

August 18, 2000

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**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$43,951	\$0	\$35,973	\$79,924
Intergovernmental	14,857	2,000	3,965	20,822
Charges for Services	0	15,945	0	15,945
Earnings on Investments	2,422	0	0	2,422
Miscellaneous	1,341	500	0	1,841
	<u>62,571</u>	<u>18,445</u>	<u>39,938</u>	<u>120,954</u>
<b>Total Cash Receipts</b>				
	<u>62,571</u>	<u>18,445</u>	<u>39,938</u>	<u>120,954</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	13,587	1,637	521	15,745
Security of Persons and Property	4,072	4,893	0	8,965
Capital Outlay	41,280	1,921	0	43,201
Debt Service:				
Redemption of Principal	0	0	25,705	25,705
Interest	0	0	5,391	5,391
<b>Total Disbursements</b>	<u>58,939</u>	<u>8,451</u>	<u>31,617</u>	<u>99,007</u>
	<u>58,939</u>	<u>8,451</u>	<u>31,617</u>	<u>99,007</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>3,632</u>	<u>9,994</u>	<u>8,321</u>	<u>21,947</u>
	<u>3,632</u>	<u>9,994</u>	<u>8,321</u>	<u>21,947</u>
<b>Fund Cash Balances January 1, 1999</b>	<u>59,936</u>	<u>33,607</u>	<u>75,036</u>	<u>168,579</u>
	<u>59,936</u>	<u>33,607</u>	<u>75,036</u>	<u>168,579</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><u>\$63,568</u></u>	<u><u>\$43,601</u></u>	<u><u>\$83,357</u></u>	<u><u>\$190,526</u></u>

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

**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$41,155	\$0	\$33,782	\$74,937
Intergovernmental	4,531	4,208	3,883	12,622
Charges for Services	0	5,579	0	5,579
Earnings on Investments	2,280	0	0	2,280
Miscellaneous	1,118	575	0	1,693
	<u>49,084</u>	<u>10,362</u>	<u>37,665</u>	<u>97,111</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	14,461	600	1,318	16,379
Security of Persons and Property	7,519	1,715	0	9,234
Other	3,854	898	0	4,752
Debt Service:				
Redemption of Principal	0	0	25,705	25,705
Interest	0	0	6,710	6,710
Capital Outlay	3,679	278	0	3,957
	<u>29,513</u>	<u>3,491</u>	<u>33,733</u>	<u>66,737</u>
<b>Total Disbursements</b>				
<b>Total Receipts Over/(Under) Disbursements</b>	<u>19,571</u>	<u>6,871</u>	<u>3,932</u>	<u>30,374</u>
Fund Cash Balances January 1, 1998	<u>40,365</u>	<u>26,736</u>	<u>71,104</u>	<u>138,205</u>
<b>Fund Cash Balances, December 31, 1998</b>	<u><b>\$59,936</b></u>	<u><b>\$33,607</b></u>	<u><b>\$75,036</b></u>	<u><b>\$168,579</b></u>

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

**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Tri Valley Fire District, Logan 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 three-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are Jefferson Township, the Village of Valley Hi, and Village of Zanesfield. The District provides fire protection and 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 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**

The District did not have any investments and maintained all cash in a checking account.

**D. Fund Accounting**

The District uses fund accounting to segregate cash that is 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. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following Special Revenue Fund:

**Ambulance Fund** - This fund receives reimbursement payments for ambulance service from individuals and insurance companies. The fund is used to maintain, repair, and purchase ambulance equipment.

**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Debt Service Funds**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The District had the following debt service fund:

**Fire Truck Fund** - This fund receives revenue from a tax levy and is to be used to purchase and maintain the fire truck.

**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 use the encumbrance method of accounting.

A summary of 1999 and 1998 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.

**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The District maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 190,526	\$ 168,579

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institutions public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 45,000	\$ 62,571	\$ 17,571
Special Revenue	10,000	18,445	8,445
Debt Service	35,000	39,938	4,938
Total	\$ 90,000	\$ 120,954	\$ 30,954

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 57,450	\$ 58,939	\$ (1,489)
Special Revenue	22,000	8,451	13,549
Debt Service	33,000	31,617	1,383
Total	\$ 112,450	\$ 99,007	\$ 13,443

**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 45,000	\$ 49,084	\$ 4,084
Special Revenue	10,000	10,362	362
Debt Service	35,000	37,665	2,665
Total	\$ 90,000	\$ 97,111	\$ 7,111

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 57,125	\$ 29,513	\$ 27,612
Special Revenue	22,000	3,491	18,509
Debt Service	33,000	33,733	(733)
Total	\$ 112,125	\$ 66,737	\$ 45,388

The District did not certify the availability of funds prior to expenditure as required by Ohio Rev. Code Section 5705.41(D).

**4. 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 payment, 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.

**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Loan	\$ 77,115	5.25%

The District issued a note to finance the purchase of a new fire truck. The loan was issued on January 3, 1997 in the amount of \$128,525 with final maturity scheduled for January 25, 2002. The loan is collateralized solely by the District's taxing authority.

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

Year ending December 31:	Loan Debt
2000	29,754
2001	28,404
2002	27,055
Total	\$ 85,213

**6. RETIREMENT SYSTEMS**

The District's employees belong 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Commercial Automobile Policy
- Commercial General Liability Coverage
- Commercial Property Coverage
- Commercial Crime Coverage
- Portable Equipment Coverage
- Management Liability Policy

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

Tri Valley Fire District  
Logan County  
P.O. Box 162  
Zanesfield, Ohio 43360

To the Board of Trustees:

We have audited the accompanying financial statements of Tri Valley Fire District, Logan County, Ohio (the District ), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 18, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 audit 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 1999-30246-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated August 18, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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 August 18, 2000.

This report is intended for the information and use of the management, 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 loop at the end.

**Jim Petro**  
Auditor of State

August 18, 2000

**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 1999-30246-001**

**Noncompliance Citation**

**Ohio Rev. Code § 5705.41 (D)** states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract 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 encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 for other subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

None of the 1999 and 1998 transactions were certified by the Clerk prior to making orders for the expenditure of District funds. In addition, neither of the two exceptions above were utilized for these transactions. Procedures should be implemented to help assure compliance with this requirement.

**TRI VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 1999 AND 1998**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain:</u>
1997-30246-001	Ohio Rev. Code Section 5705.41(D) Prior Certification of Expenditures	No	Not corrected. Repeated in this report.
1997-30246-002	Ohio Rev. Code Section 5705.41(B) Expenditures greater than appropriations	No	Partially Corrected. Repeated in management letter.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**TRI VALLEY FIRE DISTRICT**

**LOGAN 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 26, 2000**