



JIM PETRO
AUDITOR OF STATE

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, OH 43360

To the Board of Trustees:

We have audited the accompanying financial statements of the Tri Valley Fire District, Logan County (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 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 *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 accounting principles generally accepted in the United States of America.

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, 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 April 25, 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 audit.

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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

April 25, 2002

**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, 2001**

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|-------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | | |
| Property Taxes | \$44,927 | | | \$44,927 |
| Intergovernmental | 4,972 | 9,634 | | 14,606 |
| Ambulance Runs | | 21,923 | | 21,923 |
| Interest | 1,727 | | | 1,727 |
| Miscellaneous | 180 | 660 | | 840 |
| | | | | <u>840</u> |
| Total Cash Receipts | <u>51,806</u> | <u>32,217</u> | | <u>84,023</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Salaries | 2,488 | | | 2,488 |
| Employment Retirement | 339 | | | 339 |
| Workers Comp | 80 | | | 80 |
| Assessments and Contributions | 230 | | | |
| New building and equipment | 32,029 | | | |
| Utilities | 13,655 | | | |
| Supplies | 3,684 | 2,963 | | |
| Tools and Equipment | 2,456 | 8,682 | | 11,138 |
| Repairs | 1,708 | 704 | | |
| Insurance | 8,177 | | | |
| Other | 1,237 | 3,423 | | |
| Loan Payment - Principal | | | 31,377 | |
| Loan Payment | | | 1,667 | 1,667 |
| | | | | <u>1,667</u> |
| Total Disbursements | <u>66,083</u> | <u>15,772</u> | <u>33,044</u> | <u>15,712</u> |
| Total Receipts Over/(Under) Disbursements | <u>(14,277)</u> | <u>16,445</u> | <u>(33,044)</u> | <u>(30,876)</u> |
| Other Financing Receipts/(Disbursements): | | | | |
| Transfers-In | 39,481 | | | 39,481 |
| Transfers-Out | | | (39,481) | (39,481) |
| | | | | <u>(39,481)</u> |
| Total Other Financing Receipts/(Disbursements) | <u>39,481</u> | | <u>(39,481)</u> | |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 25,204 | 16,445 | (72,525) | (30,876) |
| Fund Cash Balances, January 1 | <u>57,039</u> | <u>47,867</u> | <u>72,525</u> | <u>177,431</u> |
| Fund Cash Balances, December 31 | <u>\$82,243</u> | <u>\$64,312</u> | <u>\$0</u> | <u>\$146,555</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, 2000**

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|-------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$43,408 | | \$35,568 | \$78,976 |
| Intergovernmental | 5,112 | 4,208 | 4,178 | 13,498 |
| Ambulance Runs | | 10,748 | | 10,748 |
| Earnings on Investments | 2,248 | 520 | | 2,768 |
| Miscellaneous | 5,341 | | | 5,341 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 56,109 | 15,476 | 39,746 | 111,331 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Salaries | 2,597 | | | 2,597 |
| Employment Retirement | 339 | | | 339 |
| Workers Comp | 241 | | | 241 |
| Assessments and Cotributions | 185 | | | 185 |
| New building and equipment | 34,835 | | | 34,835 |
| Utilities | 6,482 | | | 6,482 |
| Supplies | 1,267 | 3,929 | | 5,196 |
| Tools and Equipment | 3,328 | 4,130 | | 7,458 |
| Repairs | 916 | 1,250 | | 2,166 |
| Insurance | 8,034 | | | 8,034 |
| Other | 4,414 | 1,901 | 825 | 7,140 |
| Truck Payment - Principal | | | 45,705 | 45,705 |
| Truck Payment - Interest | | | 4,049 | 4,049 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Disbursements | 62,638 | 11,210 | 50,579 | 124,427 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Receipts Over/(Under) Disbursements | (6,529) | 4,266 | (10,833) | (13,096) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, January 1 | 63,568 | 43,601 | 83,358 | 190,527 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, December 31 | <u>\$57,039</u> | <u>\$47,867</u> | <u>\$72,525</u> | <u>\$177,431</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, 2001 AND 2000**

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 the 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

Investments are included in fund cash balances. 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. 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, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 fire trucks.

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 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. Encumbrances outstanding at year-end are cancelled, and reappropriated in the subsequent year.

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 District maintains a cash and investment 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>2001</u> | <u>2000</u> |
| Demand deposits | \$146,555 | \$177,431 |

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

**TRI-VALLEY FIRE DISTRICT
LOGAN 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 | \$52,000 | \$91,287 | \$39,287 |
| Special Revenue | 16,000 | 32,217 | 16,217 |
| Debt Service | 0 | 0 | 0 |
| Total | <u>\$68,000</u> | <u>\$123,504</u> | <u>\$55,504</u> |

2001 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|------------------------------------|-----------------------------------|-----------------|
| General | \$132,100 | \$66,083 | \$66,017 |
| Special Revenue | 25,000 | 15,772 | 9,228 |
| Debt Service | 35,000 | 72,525 | (37,525) |
| Total | <u>\$192,100</u> | <u>\$154,380</u> | <u>\$37,720</u> |

2000 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|------------------|------------------------------|----------------------------|-----------------|
| General | \$50,000 | \$56,108 | \$6,108 |
| Special Revenue | 15,000 | 15,476 | 476 |
| Debt Service | 40,000 | 39,746 | (254) |
| Total | <u>\$105,000</u> | <u>\$111,330</u> | <u>\$6,330</u> |

2000 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|------------------------------------|-----------------------------------|-----------------|
| General | \$76,950 | \$62,638 | \$14,312 |
| Special Revenue | 20,000 | 11,210 | 8,790 |
| Debt Service | 52,000 | 50,579 | 1,421 |
| Total | <u>\$148,950</u> | <u>\$124,427</u> | <u>\$24,523</u> |

**TRI-VALLEY FIRE DISTRICT
LOGAN COUNTY**

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

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. 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.

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.

5. 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 prescribed by the Ohio Revised Code. For 2001 and 2000, the District's 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 the employer contribution rate 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

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

7. COURT ORDER FOR TRANSFER OF MONEY

On February 20, 2001, the Common Pleas Court of Logan County, Ohio approved the transfer of \$39,481 from the Debt Service Fund to the General Fund.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

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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 (the "District") as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 25, 2002. 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 *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 2001-30246-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 25, 2002.

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 April 25, 2002.

Tri Valley Fire District
Logan County
Report of Independent Accountants on Compliance and
on Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the 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

April 25, 2002

**TRI VALLEY FIRE DISTRICT
LOGAN COUNTY**

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

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

FINDING NUMBER 2001-30246-001

Noncompliance Citation

Ohio Revised Code Section 731.14 states that all contracts made by the legislative authority of a fire district shall be executed in the name of the fire district and signed on its behalf by the board and clerk. When any expenditure, other than the compensation of persons employed therein, exceeds fifteen thousand dollars, such contracts shall be in writing and made with the lowest and best bidder after advertising for not less than two nor more than four consecutive weeks in a newspaper of general circulation within the fire district. The bids shall be opened and shall be publicly read by the clerk at the time, date, and place specified in the advertisement to bidders.

During the audit period, the District acquired a gymnasium and renovated it with the intent of using it as a firehouse. Contractors, several of whom were paid more than \$15,000, were hired by the District to do the renovations. The total cost of the renovations was \$66,864. However, the District did not have contracts in writing or advertise for bids.

Procedures should be implemented by the District to help identify expenditures that meet the criteria for bidding.

**TRI VALLEY FIRE DISTRICT
LOGAN COUNTY**

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

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|----------------|--|------------------|---|
| 1999-30246-001 | Ohio Rev. Code Section 5705.41 (D) Prior Certification of Expenditures | Yes | N/A |



STATE OF OHIO
OFFICE OF THE AUDITOR

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
JUNE 18, 2002**