

TRI-DIVISION AMBULANCE SERVICE

FINANCIAL STATEMENTS

Years Ended December 31, 1999 and 1998

LAURA J. MacDONALD, CPA, INC.
MEDINA, OHIO

TRI-DIVISION AMBULANCE SERVICE

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Years Ended December 31, 1999 and 1998

**Laura J. MacDonald, CPA, Inc.
3613 Reserve Commons Drive
Medina, Ohio 44256**

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<u>TABLE OF CONTENTS</u>	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – General Fund	2
Notes to Financial Statements	3
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	5



STATE OF OHIO
OFFICE OF THE AUDITOR
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Board of Trustees
Tri-Division Ambulance Service

We have reviewed the Independent Auditor's Report of the Tri-Division Ambulance Service, Stark County, prepared by Laura J. MacDonald, CPA, Inc., for the audit period January 1, 1998 to December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Tri-Division Ambulance Service is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

July 9, 2000

Laura J. MacDonald, CPA, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Tri-Division Ambulance Service
Stark County
9333 Main Street
East Sparta, Ohio 44626

I have audited the accompanying financial statements of the Tri-Division Ambulance Service, Stark County, Ohio, (the Service) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Service's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits 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 I 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. I believe that my audits provide a reasonable basis for my opinion.

As described in Note 1, the Service 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 my opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Tri-Division Ambulance Service 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, I have also issued a report dated June 14, 2000, on my consideration of the Service's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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 Section 117.26 of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.



June 14, 2000

TRI-DIVISION AMBULANCE SERVICE
 STATEMENTS OF CASH RECEIPTS,
 CASH DISBURSEMENTS AND CHANGES IN FUND
 CASH BALANCES - GENERAL FUND
 Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH RECEIPTS		
Taxes	\$ 95,227	\$ 90,528
Intergovernmental receipts - grant	4,500	-
Interest	2,440	2,868
Other receipts	<u>191</u>	<u>555</u>
	102,358	93,951
CASH DISBURSEMENTS		
General government	14,681	15,849
Public safety	<u>60,017</u>	<u>57,180</u>
	<u>74,698</u>	<u>73,029</u>
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	27,660	20,922
FUND CASH BALANCES		
AT BEGINNING OF YEAR	<u>203,004</u>	<u>182,082</u>
FUND CASH BALANCES AT END OF YEAR	<u>\$ 230,664</u>	<u>\$ 203,004</u>
RESERVES FOR ENCUMBRANCES	<u>\$ 622</u>	<u>\$ 873</u>

Please refer to accompanying notes.

TRI-DIVISION AMBULANCE SERVICE
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tri-Division Ambulance Service (the Service) is a body corporate and politic established in 1978 for the purpose of providing public emergency ambulance services for the residents of the Village of East Sparta, Pike Township and Precincts Two and Three of Tuscarawas County. The Service is directed by a Board of Trustees consisting of four members. One Board member is appointed by each political subdivision within the Service.

The Service's management believes these financial statements present all activities for which the Service is financially accountable.

Accounting Basis

The accompanying financial statements have been prepared on 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 they are 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.

Fund Accounting

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

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Budgetary Process

The Ohio Revised Code requires that budgets be prepared annually. Tax budgets are required to be adopted on or before July 15th of each year for the next succeeding fiscal year. Other aspects of the budgetary process are described below.

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.

TRI DIVISION AMBULANCE SERVICE
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

Estimated Resources

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

Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 5.

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements (capital outlays) when paid. These items are not reflected as assets in the accompanying financial statements.

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 1999 and 1998 is as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$230,664</u>	<u>\$ 203,004</u>

As of December 31, 1999, \$100,000 in cash was covered by Federal Depository Insurance and the remaining \$130,664 was collateralized by securities conforming to the requirements of Section 135.18(B) of the Ohio Revised Code.

As of December 31, 1998, \$100,000 in cash was covered by Federal Depository Insurance and the remaining \$103,004 was collateralized by securities conforming to the requirements of Section 135.18(B) of the Ohio Revised Code.

NOTE 3 – DEFINED BENEFIT PENSION PLAN

All Service employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple-employer plan. This plan provides for retirement benefits, including post retirement 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 1999 and 1998, Service employees contributed 8.5% of their gross salaries to PERS. The Service contributed 13.55% of participants' salaries during each of these years.

TRI DIVISION AMBULANCE SERVICE
 NOTES TO FINANCIAL STATEMENTS
 December 31, 1999 and 1998

NOTE 4 – RISK MANAGEMENT

As of December 31, 1999, the Service had property insurance coverage of approximately \$106,000.

NOTE 5 – BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and 1998 is as follows:

Year Ended December 31, 1999:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$ 84,275</u>	<u>\$102,358</u>	<u>\$ 18,083</u>
	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	<u>\$287,279</u>	<u>\$ 75,320</u>	<u>\$211,959</u>

Year Ended December 31, 1998:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$ 83,056</u>	<u>\$ 93,951</u>	<u>\$ 10,895</u>
	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	<u>\$265,139</u>	<u>\$ 73,902</u>	<u>\$191,237</u>

NOTE 6 – PROPERTY TAX

Real property taxes become a lien on January 1st preceding the October 1st 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 "Taxes". Payments are due to the County by December 31st. If the property owner elects to make semiannual payments; the first half is due December 31st. The second half payment is due the following June 20th.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30th.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Service.

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INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Tri-Division Ambulance Service
Stark County
9333 Main Street
East Sparta, Ohio

I have audited the financial statements of Tri-Division Ambulance Service, Stark County, Ohio, as of and for the years ended December 31, 1999 and 1998, and have issued my report thereon dated June 14, 2000. I conducted my audits 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.

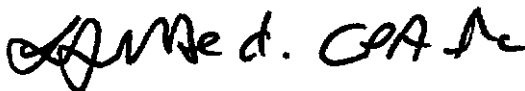
Compliance

As part of obtaining reasonable assurance about whether the Tri-Division Ambulance Service's financial statements are free of material misstatement, I 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 my audits and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audits, I considered the Tri-Division Ambulance Service's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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



June 14, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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TRI-DIVISION AMBULANCE SERVICE

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.

By: *Susan Babbitt*

Date: **AUG 15 2000**