

***MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO***

AUDIT REPORT

For The Years Ended December 31, 1999 and 2000

Charles E. Harris and Associates, Inc.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43215
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Board of Trustees
Mineral-Sandy Ambulance District
Mineral City, Ohio

We have reviewed the Independent Auditor's Report of the Mineral-Sandy Ambulance District, Tuscarwas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 1999 to December 31, 2000. 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 Mineral-Sandy Ambulance District is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

August 23, 2001

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**MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Audit Report
For the Years Ended December 31, 1999 and 2000**

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**MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Audit Report
For the Years Ended December 31, 1999 and 2000**

<u>APPOINTED OFFICIALS</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>SURETY PERIOD</u>
David McCreery	Chairman	Continuous	N/A	N/A
Valerie Gordon	Member	Continuous	N/A	N/A
Maxine Elliott	Clerk	1/1/99 to 12/31/99 1/1/00 to 12/31/00	(A)	(B)
Debra K. Wine	EMS Chief	1/1/99 to 12/31/99 1/1/00 to 12.31/00	N/A	N/A

Statutory Legal Counsel

Edward Wright, Esq.
134 Fourth Street NW
New Philadelphia, Ohio 44663

Ambulance District Address

P.O. Box 454
Mineral City, Ohio 44656

(A) Western Surety Company for \$5,000.

(B) 2/24/99 to 2/23/00 and 2/24/00 to 2/23/01

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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614 W Superior Ave Ste 1242
Cleveland, OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

REPORT OF INDEPENDENT ACCOUNTANTS

**Board of Trustees
Mineral-Sandy Ambulance District
Mineral City, Ohio**

We have audited the accompanying financial statements of Mineral-Sandy Ambulance District (the District), as of and for the years ended December 31, 1999 and 2000, as listed in the table of contents. 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 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 to the financial statements, 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 cash, investments and fund cash balances of the District, as of December 31, 1999 and 2000, the receipts, expenditures, and changes in fund cash balances, its statements of receipts - budget and actual and statement of disbursements and encumbrances compared with expenditure authority for the years then ended in conformity with the basis of accounting referred to above.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 30, 2001 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 management, 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 parties.

Charles E. Harris & Associates, Inc.
July 30, 2001

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND CASH
BALANCES - ALL FUND TYPES
As of December 31, 1999 and 2000

	<u>1999</u> <u>Balances</u>	<u>2000</u> <u>Balances</u>
Cash and Cash Equivalents	\$ <u>26,460</u>	\$ <u>44,309</u>

Cash Balances By Fund Class

	<u>1999</u> <u>Balances</u>	<u>2000</u> <u>Balances</u>
<u>Governmental Fund Types:</u>		
General Fund	\$ 26,460	\$ 44,309
Debt Service Fund	<u>-</u>	<u>-</u>
Total	\$ <u>26,460</u>	\$ <u>44,309</u>

See accompanying Notes to the Financial Statements.

**MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 1999**

	General	Debt Service	(Memorandum Only) Total
Receipts:			
Taxes	\$ 13,544	\$ 11,069	\$ 24,613
Charges for services	1,481	-	1,481
Intergovernmental	1,150	-	1,150
Interest	507	-	507
Other	340	5,535	5,875
	17,022	16,604	33,626
Disbursements:			
General government	10,726	-	10,726
Public safety	4,794	-	4,794
Capital Outlay	2,425	-	2,425
Debt Service:			
Note Payment	-	16,604	16,604
	17,945	16,604	34,549
Total Disbursements	17,945	16,604	34,549
Total Receipts Over/(Under) Disbursements	(923)	-	(923)
Fund Balance 1/1/99	27,383	-	27,383
Fund Balance 12/31/99	\$ 26,460	\$ -	\$ 26,460

See accompanying Notes to the Financial Statements

**MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2000**

	<u>General</u>	<u>Debt Service</u>	<u>(Memorandum Only) Total</u>
Receipts:			
Taxes	\$ 23,637	11,069	\$ 34,706
Charges for services	2,684	-	2,684
Intergovernmental	6,926	-	6,926
Interest	643	-	643
Other	10,270	-	10,270
	<hr/>	<hr/>	<hr/>
Total Revenues	44,160	11,069	55,229
Disbursements:			
General government	13,411	-	13,411
Public safety	7,365	-	7,365
Capital outlay	-	-	0
Debt Service:			
Note Payment	5,535	11,069	16,604
	<hr/>	<hr/>	<hr/>
Total Disbursements	26,311	11,069	37,380
Total Receipts Over/(Under) Disbursements	17,849	-	17,849
Fund Balance 1/1/00	26,460	-	26,460
	<hr/>	<hr/>	<hr/>
Fund Balance 12/31/00	\$ 44,309	-	\$ 44,309
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying Notes to the Financial Statements

**MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
For the Years Ended December 31, 1999 and 2000**

<u>Fund Types/Funds</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>1999</u>			
Governmental Funds:			
General Fund	\$ 13,304	\$ 17,022	\$ 3,718
Debt Service Fund	<u>11,096</u>	<u>16,604</u>	<u>5,508</u>
Total (Memorandum Only)	<u>\$ 24,400</u>	<u>\$ 33,626</u>	<u>\$ 9,226</u>
<u>2000</u>			
Governmental Funds:			
General Fund	\$ 39,337	\$ 44,160	\$ 4,823
Debt Service Fund	<u>11,069</u>	<u>11,069</u>	<u>-</u>
Total (Memorandum Only)	<u>\$ 50,406</u>	<u>\$ 55,229</u>	<u>\$ 4,823</u>

See accompanying Notes to the Financial Statements.

**MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
For the Years Ended December 31, 1999 and 2000**

<u>Fund Types/Funds</u>	<u>Carryover Appropriation</u>	<u>Year Ending Appropriations</u>	<u>Total</u>	<u>Actual Expenditures</u>	<u>Encumbrances as of Year-End</u>	<u>Total</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>1999</u>							
Governmental Funds:							
General Fund	\$ 1,694	\$ 24,308	\$ 26,002	\$ 17,945	\$ 1,103	\$ 19,048	\$ 6,954
Debt Service	-	11,069	11,069	16,604	-	16,604	(5,535)
Total (Memorandum Only)	\$ 1,694	\$ 35,377	\$ 37,071	\$ 34,549	\$ 1,103	\$ 35,652	\$ 1,419
<u>2000</u>							
Governmental Funds:							
General Fund	\$ 1,103	\$ 26,799	\$ 27,902	\$ 26,311	321	\$ 26,632	\$ 1,270
Debt Service	-	11,069	11,069	11,069	-	11,069	-
Total (Memorandum Only)	\$ 1,103	\$ 37,868	\$ 38,971	\$ 37,380	\$ 321	\$ 37,701	\$ 1,270

See accompanying Notes to the Financial Statements.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Mineral-Sandy Ambulance District, Tuscarawas County, (the Ambulance District) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A joint resolution was passed by a majority of the members of the Board of Trustees of Sandy Township and a majority of members of the Village Council of Mineral City establishing the District. The Ambulance District's governing board is a board of trustees which includes one representative appointed by each participating township and village. Due to the structure of the two person board, a unanimous decision is needed for the passage of any and all issues and both board members need to be in attendance to conduct official business. The Ambulance District collects a 2.50 mill levy to provide vehicles adequately equipped for the purpose of transporting patients to a definitive care facility in an acute emergency situation for Mineral City and Prescient One, Sandy Township.

Management believes the financial statements included in this report represent all of the funds of the Ambulance District over which the Ambulance District has the ability to exercise direct operating control.

B. REPORTING ENTITY

In evaluating how to define the Ambulance District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Mineral-Sandy Ambulance District (the primary government) and its potential component units consistent with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity. There were no significant changes in the reporting entity related to the implementation of this statement for the current audit period.

Component units are legally separate organizations for which the Ambulance District, as the primary government, is financially accountable. The Ambulance District is financially accountable for an organization if the Ambulance District appoints a voting majority of the organization's governing board and 1) the Ambulance District is able to significantly influence the programs or services performed or provided by the organization; or 2) the Ambulance District is legally entitled to or can otherwise access the organization's resources; the Ambulance District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or 3) the Ambulance District is obligated for the debt of the organization. Component units may also include organizations for which the Ambulance District approves the budget, the issuance of debt, or the levying of taxes.

Based on the above definitions, the Ambulance District has determined that there were no component units required to be included the financial statements.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

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

C. **BASIS OF ACCOUNTING**

The Ambulance District prepares its financial statements following 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.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

D. **INVESTMENTS AND INACTIVE FUNDS**

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received. The only interest received was from the Ambulance District's bank checking account.

E. **FUND ACCOUNTING**

The Ambulance District maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Ambulance District. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Debt Service Fund: Debt service fund is used to account for the accumulation of resources for the payment of debt principal and interest.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

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

F. **BUDGETARY PROCESS**

1. **Budget**

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. **Estimated Resources**

The county auditor calculates the estimated revenues available to the Ambulance District. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Ambulance District. The certificate is approved by the county budget commission and sent to the Ambulance District Clerk by September 1.

Prior to December 31, the Ambulance District must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk sends the county auditor a certificate to which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Clerk. The amounts reported in the budgetary statements reflect the amounts in the final amended certificates issued during 1998 and 1999.

Budget receipts, as shown in the accompanying financial statements, do not include the unencumbered fund balances as of January 1, 1999 and 2000. However, those fund balances are available for appropriations.

3. **Appropriations**

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

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

F. **BUDGETARY PROCESS** - (continued)

4. **Encumbrances**

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control.

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated. In the budgetary financial statements, encumbrances are added to budgetary expenditures. The budgetary fund balance is cash minus outstanding encumbrances.

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

The Ambulance District maintains a cash and investment pool. The balance of this pool is displayed on the "Combined Statement of Cash, Investments, and Fund Cash Balances - All Fund Types, As of December 31, 1999 and 2000."

Legal Requirements

State statutes classify monies held by the Ambulance District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Ambulance District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Board of Trustees has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must 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 passbook accounts.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)

Interim monies may be invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Ambulance District, and be purchased within the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the Ambulance District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)

The following information classifies deposits and investments by categories of risk as defined by GASB Statement No.3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At year end, the carrying amount of the Ambulance District's deposits were \$ 26,460 in 1999 and \$44,309 in 2000 and the bank balance was \$26,460 in 1999 and \$44,309 in 2000. The bank balances were covered by federal depository insurance for both 1999 and 2000.

Investments: GASB Statement No.3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that local governments disclose the carrying amounts and market value of investments classified by risk. Category 1 included investments that are insured or registered for which the securities are held in the counter party's trust department or agent in the Ambulance District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the Ambulance District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party or by its trust department but not in the Ambulance District's name. At December 31, 1999 and 2000, the Ambulance District held no investments that would be classified as investments under GASB Statement No.3.

3. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 1998.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the years ended December 31, 1998 and 1999 (received in 1999 and 2000) were \$2.50 for both years, per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$1.917747 for both years, respectively, per \$1,000 of assessed valuation for real property classified as residential/agricultural. The full tax rate was \$2.50 for both years, per \$1,000 of assessed valuation for all other real property. After adjustment for the inflationary increases in property values, the effective tax rate was \$2.491767 for both years. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Ambulance District by the State of Ohio.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

3. PROPERTY TAX - (continued)

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost.

The rate applied to tangible personal property for the years ended December 31, 1998 and 1999 (received in 1999 and 2000) was \$2.50 for both years per \$1,000 of assessed valuation.

The following represents the assessed property values for the revenues received during the years 1999 and 2000:

Real Property	<u>1999</u>	<u>2000</u>
Residential/Agricultural	\$ 9,809,940	\$ 9,814,120
Commercial/Industrial	896,820	860,470
Public Utilities	26,280	25,700
Tangible Personal Property		
General	496,850	244,830
Public Utilities	<u>2,444,310</u>	<u>2,480,240</u>
Total Valuation	<u>\$13,674,200</u>	<u>\$13,425,360</u>

The Tuscarawas County Treasurer collects property tax on behalf of all taxing Ambulance Districts within the county. The Tuscarawas County Auditor periodically remits to the taxing Ambulance District their portions of the taxes collected.

4. DEFINED BENEFIT PENSION PLAN

The employees of the Ambulance District are covered by the Public Employees Retirement System of Ohio (PERS), a cost sharing multiply-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the Ambulance District is required to contribute 13.55 percent. The contribution rates are determined actuarially. The Ambulance District's required contributions to PERS for the years ended December 31, 2000, 1999 and 1998 were \$366, \$366 and \$366. The full amount has been contributed for 1999 and 1998. 83 percent has been contributed for 2000.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio Service credit and to primary survivor recipients of such retirees. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was rolled back for for the year 2000. The 2000 employer contribution rate for local employers was 10.84% of covered payroll; 4.3% was the portion that was used to fund health care.

The assumptions and calculations below were based on the System's latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75%. An annual increase of 4.75% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above 4.75% base increase, were assumed to range from 0.54% to 5.1%.

Benefits are advance-funded on an actuarially determined basis. The number of active contributing participants was 401,339. OPEB are financed through employer contributions and investment earnings thereon. The contribution allocated to retiree health care and Medicare, along with investment income or allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. \$10,805.5 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 1999. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

During 2000, the Retirement Board initiated significant policy changes. The Retirement Board enacted a temporary employer contribution rate rollback for calender year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rollback was 20% for both state and local government divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for these reasons.

The District's actual contribution for 2000 that were used to fund post-retirement benefits were \$137.

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

6. RISK MANAGEMENT

The Ambulance District is exposed to various risks of loss related torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal years 1999 and 2000, the Ambulance District contracted with one insurance company for coverage of buildings and contents.

The following is a list of insurance coverages of the Ambulance District and the deductibles associated with each:

<u>Type of Coverage</u>	<u>Limits</u>	<u>Deductible</u>
Business Automobile:		
Bodily Injury per person	\$ 250,000	\$ 50 comprehensive
Bodily Injury per accident	500,000	100 collision
Property Damage	100,000	
Medical Payment	1,000	-0-
General Aggregate Limit		
Products - Completed/ Operations Aggregate Limit	1,500,000	-0-
Personal & Advertising Limit	500,000	-0-
Fire Damage Limits	25,000/fire	-0-
Inland Marine	22,066	50
Public Officials Liability	5000,000	500

Settled claims have not exceeded commercial coverage in the past three years. Also, there have been no material reductions in coverage during the past three years.

The Ambulance District Trustees and Clerk are covered by separate bonds.

The Ambulance District pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

7. LONG TERM NOTE DEBT

Note transactions for the years ended December 31, 2000:

	<u>Interest Rate</u>	<u>Outstanding 12/31/98</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 12/31/00</u>
New EMS Vehicle Purchase	7.0361	\$ 47,779	-	\$ 27,673	\$ 20,106

MINERAL-SANDY AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000

7. **LONG TERM NOTE DEBT** – (continued)

This note is a tax anticipation note backed by the full faith and credit of the Mineral-Sandy Ambulance District and paid from the Debt Service Fund. Each payment includes principal and interest.

Principal and interest requirements to retire the long term note obligation outstanding at December 31, 2000 is as follows:

<u>Year</u>	<u>Amount</u>
2001	\$ 11,069
2002	<u>9,037</u>
Total	\$ <u>20,106</u>

8. **SUBSEQUENT EVENTS/PENDING LITIGATION**

Management believes there are no pending claims or lawsuits.

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

**Board of Trustees
Mineral-Sandy Ambulance District
Mineral City, Ohio**

We have audited the financial statements of the Mineral-Sandy Ambulance District as of and for the years ended December 31, 1999 and 2000, and have issued our report thereon dated July 30, 2001. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Mineral-Sandy Ambulance District in a separate letter dated July 30, 2001.

Internal Controls 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 we have reported to management of Mineral-Sandy Ambulance District in a separate letter dated July 30, 2001.

**Mineral-Sandy Ambulance District
Report on Compliance and on Internal Control
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This report is intended for the information of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

***Charles E. Harris & Associates, Inc.*
July 30, 2001**

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 1997 and 1998 did not include material citations or recommendations.



STATE OF OHIO
OFFICE OF THE AUDITOR

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MINERAL-SANDY AMBULANCE DISTRICT

TUSCARAWAS 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 30, 2001**