



**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Tri-County Ambulance District
Tuscarawas County
530 S. College Street
Newcomerstown, Ohio 43832

To the Board of Directors:

We have audited the accompanying financial statements of Tri-County Ambulance District, Tuscarawas County, Ohio, (the Ambulance District) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Ambulance District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our 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 we 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. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Ambulance 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 and reserves for encumbrances of the Ambulance District as of December 31, 2000 and 1999, 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 May 10, 2001 on our consideration of the Ambulance District's internal control over financial reporting and our tests of its compliance with 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 audits.

This report is intended solely for the information and use of the management, the Board Members 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.

Jim Petro
Auditor of State

May 10, 2001

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**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
Cash Receipts:		
Local Taxes	\$107,748	\$102,142
Intergovernmental	10,754	11,349
Charges for Services	95,318	99,969
Licenses, Permits and Fees	9,979	15,474
Fines and Forfeitures	500	250
Interest Revenue	244	217
Miscellaneous	6,262	5,378
 Total Cash Receipts	 230,805	 234,779
Cash Disbursements:		
Current:		
General Government	218,695	234,920
Public Safety	1,313	
Debt Service:		
Redemption of Principal	104,000	98,500
Interest	5,456	5,000
 Total Cash Disbursements	 329,464	 338,420
 Total Cash Receipts Under Cash Disbursements	 (98,659)	 (103,641)
Other Financing Sources:		
Proceeds of Notes	87,000	104,000
 Total Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	 (11,659)	 359
 Fund Cash Balances, January 1	 22,532	 22,173
 Fund Cash Balances, December 31	 \$10,873	 \$22,532
 Reserves for Encumbrances	 \$887	 0

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

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**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Tri-County Ambulance District, Tuscarawas County, (the Ambulance District) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Ambulance District is directed by a six member Board of Directors, who are appointed from the areas the Ambulance District serves - Perry, Oxford, Washington, and Salem Townships; and the Villages of Port Washington and Newcomerstown. The Ambulance District provides emergency medical services to the citizens within those areas.

The Ambulance District's management believes these financial statements present all activities for which the Ambulance 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 they are 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

The Ambulance District maintains all cash in checking and savings accounts.

D. Fund Accounting

The Ambulance District uses fund accounting to segregate cash that is restricted as to use. The Ambulance District classifies its funds into the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources of the Ambulance District.

E. Budgetary Process

The Ohio Revised Code requires that the Ambulance District budget 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 Directors 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-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Ambulance District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Ambulance District did not encumber all commitments required by Ohio law.

A summary of 2000 and 1999 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 in the financial statements.

2. DEPOSITS

The Ambulance District maintains all cash in the General Fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$10,873	\$22,532

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$299,533	\$317,805	\$18,272

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$299,533	\$330,351	(\$30,818)

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$268,833	\$338,779	\$69,946

1999 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$268,833	\$338,420	(\$69,587)

4. NONCOMPLIANCE

During 2000 and 1999, the Clerk did not certify the availability of funds for the majority of its expenditures, contrary to Ohio Rev. Code Section 5705.41(D).

During 2000 and 1999, the Ambulance District had expenditures which exceeded appropriations in the General Fund, contrary to Ohio Rev. Code Section 5705.41(B).

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Ambulance District Board of Directors. 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 financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, 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 Ambulance 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 Ambulance District.

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. DEBT

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Promissory Note - Building - 208	\$44,000	5.10%
Promissory Note - Emergency Vehicle - 182	10,000	5.08%
Promissory Note - Operations - 225	25,000	5.25%
Promissory Note - Ambulance Chassis - 190	<u>8,000</u>	5.00%
Total	<u>\$87,000</u>	

The Ambulance District is currently paying a portion of the principal balance on each one year note and renewing the notes each year for a smaller principal balance.

7. RETIREMENT SYSTEM

The Ambulance District's appointed officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Ambulance District contributed an amount equal to 10.84% and 13.55% for 2000 and 1999, respectively, of participants' gross salaries. The Ambulance District has paid all contributions required through December 31, 2000.

8. RISK MANAGEMENT

The Ambulance District has obtained commercial insurance for the following risks:

- 7 Comprehensive property and general liability
- 7 Vehicles
- 7 Errors and omissions

The Ambulance District also provides health insurance for full-time employees through a private carrier.



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

Tri-County Ambulance District
Tuscarawas County
530 S. College Street
Newcomerstown, Ohio 43832

To the Board of Directors:

We have audited the accompanying financial statements of Tri-County Ambulance District, Tuscarawas County, Ohio, (the Ambulance District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 10, 2001. We conducted our 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 Ambulance 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2000-41279-001 and 2000-41279-002.

We also noted an immaterial instance of noncompliance that we have reported to management of the Ambulance District in a separate letter dated May 10, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Ambulance 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Ambulance District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2000-41279-003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above, item number 2000-41279-003, is considered to be a material weakness.

Tri-County Ambulance District
Tuscarawas County
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*
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We also 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 Ambulance District in a separate letter dated May 10, 2001.

This report is intended for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 10, 2001

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

Findings Related to the Financial Statements Required to Be Reported in Accordance with GAGAS
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Material Noncompliance

Finding Number	2000-41279-001
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Ohio Rev. Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This sections also provides for two exceptions:

- a. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time the certificate, appropriated and free of any previous encumbrances, the Ambulance District Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- b. If the amount involved is less than \$1,000, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Ambulance District Board, if such expenditure is otherwise valid.

For 47% of the nonpayroll expenditures tested for 2000 and 1999, the Clerk did not certify the availability of funds prior to incurring the commitment. It was also found that neither of the two certification exceptions above were utilized for items found to be in non-compliance. As a result, the Ambulance District could inadvertently over expend certain appropriations. Prior to entering into a commitment, the Clerk should certify that funds are available to expenditure. The Ambulance District Board should inform all Ambulance District employees of the requirements of Ohio Rev. Code Section 5705.41(D). The Ambulance District should implement the use of so called Then and Now Certificates and Blanket Certificates as an alternative means of certifying funds.

Finding Number	2000-41279-002
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Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated.

As of December 31, 2000 and 1999, the General Fund had expenditures which exceeded appropriations by \$30,818 and \$69,587, respectively. Failure to properly appropriate expenditures could result in deficit spending.

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

Material Weakness

Finding Number	2000-41279-003
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A complete subsidiary record of ambulance revenues was not maintained by the Ambulance District. Although the ambulance runs are logged and maintained and actual receipts are posted, there were no accounts receivable records maintained by account and no follow up on what had been billed, not billed, or not collected. An incomplete record of ambulance services could result in services being rendered by the Ambulance District and not being billed or collected.

The Ambulance District should implement a record keeping system to reflect accounts receivable information by account that shows the amount billed, the amount collected, and the amount not collected for all services provided by the Ambulance District. This will give the Ambulance District assurances that all services rendered have been billed and all revenue due to the Ambulance District has been collected, is in the process of collection, or is deemed uncollectible.

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999**

<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>
1998-41279-001	Ohio Revised Code Section 5705.41 (D)	No	Not corrected
1998-41279-002	Ohio Revised Code Section 5705.41 (B)	No	Not corrected
1998-41279-003	Subsidiary record of ambulance revenues	No	Not corrected



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TRI-COUNTY 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
JUNE 12, 2001**