

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007



Mary Taylor, CPA

Auditor of State

Board of Directors
Tri-County Ambulance District
530 S. College Street
Newcomerstown, Ohio 43832

We have reviewed the *Independent Accountants' Report* of the Tri-County Ambulance District, Tuscarawas County, prepared by Knox & Knox, for the audit period January 1, 2007 through December 31, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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-County Ambulance District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 22, 2009

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**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

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KNOX & KNOX

Accountants and Consultants

Independent Accountants' Report

Board of Tri-County Ambulance District
Tuscarawas County
530 South College Street
Newcomerstown, Ohio 43832

To the Board of Directors:

We have audited the accompanying financial statements of the Tri-County Ambulance District, Tuscarawas County, Ohio, (the District) as of and for the years ended December 31, 2008 and 2007. 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, if any, 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 described more fully in Note 1, the District has prepared its financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2008 and 2007. In addition to the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements. While the District does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the Tri-County Ambulance District, Tuscarawas County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Knox & Knox

Orrville, Ohio
August 26, 2009

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
CASH RECEIPTS:		
Local Taxes	\$119,106	\$123,743
Intergovernmental	20,063	8,502
Licenses, Fees, and Permits	17,093	17,093
Earnings on Investments	607	2,311
Other Revenue	250	4,070
Fine and Forfeitures	150	300
Charges for Services	<u>192,885</u>	<u>196,868</u>
Total Cash Receipts	<u>350,154</u>	<u>352,887</u>
CASH DISBURSEMENTS		
Current:		
General Government	318,479	312,893
Public Safety	5,465	7,000
Debt Service:		
Redemption of Principal	13,671	83,671
Interest	<u>6,434</u>	<u>1,909</u>
Total Cash Disbursements	<u>344,049</u>	<u>440,473</u>
Total Receipts Over/(Under) Disbursements)	<u>6,105</u>	<u>(87,586)</u>
OTHER FINANCING RECEIPTS		
Proceeds of Notes	<u> </u>	<u>83,671</u>
Total Other Financing Receipts	<u> </u>	<u>83,671</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	6,105	(3,915)
Fund Cash Balances, January 1	<u>57,230</u>	<u>61,144</u>
FUND CASH BALANCES, DECEMBER 31	<u><u>\$63,335</u></u>	<u><u>\$57,229</u></u>

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

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Tri-County Ambulance District, Tuscarawas 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 six-member Board of Directors. One board member is appointed by each political subdivision within the district. Those subdivisions are Oxford, Salem, Perry, and Washington Townships; and the Villages of Port Washington and Newcomerstown. The District provides emergency medical services to citizens within those areas.

The District's management believes these financial statements present all activities for which the Council 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

Investments are reported as assets. Accordingly, purchases 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 fund into the following type:

1. General Fund

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

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Process (continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the department, division or office level of control, and within each the amount appropriated for personal services. 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.

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 individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2008 and 2007 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. DEPOSITS

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$63,335	\$57,230

Deposits are insured by the Federal Depository Insurance Corporation

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

3. BUDGETARY ACTIVITY

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$427,765	\$350,154	(\$77,611)
2008 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$454,622	\$344,049	\$110,573
2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$457,631	\$436,559	(\$21,072)
2007 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$494,574	\$440,473	\$54,101

4. PROPERTY TAX

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

Tangible personal property tax is assessed by the property owner, 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 Township.

5. DEBT

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest Rate
Promissory Note - Various Balances	\$70,000	4.50%

The District currently pays a portion of the principal balance on each one year note and renews each note for a smaller principal.

**TRI-COUNTY AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

6. RETIREMENT SYSTEM

The District's employees belong to the Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The 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 2008 and 2007, members contributed 10% and 9.5% of their gross salaries, respectively. The District contributed an amount equal to 14% (2008) and 13.75% (2007) of participants' gross salaries. The District has paid all contributions required through December 31, 2008.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

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

8. CONTINGENT LIABILITIES

Amount grantor agencies pay to the District are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial

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KNOX & KNOX

Accountants and Consultants

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Directors:

We have audited the financial statements of Tri-County Ambulance District, Tuscarawas County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated August 26, 2009 wherein we noted that the District prepared its financial statements using accounting practices prescribed by the Auditor of State rather than accounting principles generally accepted in the United States of America. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the District's internal control over financial reporting as basis for designing our audit procedures in order to express our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we noted other matters that we reported to the management of the District in a separate letter dated August 26, 2009.

COMPLIANCE AND OTHER MATTERS

As part of reasonably assuring whether the District's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and members of the Board of Directors. We intend it for no one other than these specified parties.

KNOX & KNOX

Orrville, Ohio
August 26, 2009



Mary Taylor, CPA
Auditor of State

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
OCTOBER 6, 2009**