



Dave Yost • Auditor of State

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Swiss Valley Joint Ambulance District
Tuscarawas County
102 W. Main Street
Baltic, Ohio 43804

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statement of the cash balances, receipts and disbursements, and related notes of Swiss Valley Joint Ambulance District, Tuscarawas County, Ohio (the District), as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting this financial statement in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting a financial statement free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on this financial statement based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statement is free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the District prepared this financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

743 East State Street, Athens Mall Suite B, Athens, Ohio 45701-2157
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Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend this statement to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances of the Swiss Valley Joint Ambulance District, Tuscarawas County, Ohio, as of December 31, 2014 and 2013, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2015

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCE (CASH BASIS)
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
Cash Receipts:		
Charges for Services	\$149,994	\$197,696
Contracted Services	117,948	113,033
Intergovernmental	4,250	4,500
Earnings on Investments	14	193
Miscellaneous	6,686	6,892
<i>Total Cash Receipts</i>	<i>278,892</i>	<i>322,314</i>
Cash Disbursements:		
Current Disbursements:		
Security of Persons and Property	201,426	207,119
General Government	40,138	44,934
Capital Outlay	39,526	1,116
Debt Service:		
Principal Retirement	43,030	28,532
Interest and Fiscal Charges	5,637	3,913
<i>Total Cash Disbursements</i>	<i>329,757</i>	<i>285,614</i>
<i>Net Change in Fund Cash Balance</i>	<i>(50,865)</i>	<i>36,700</i>
<i>Fund Cash Balances, January 1</i>	<i>143,126</i>	<i>106,426</i>
Fund Cash Balances, December 31		
Assigned	92,261	143,126
<i>Fund Cash Balances, December 31</i>	<i>\$92,261</i>	<i>\$143,126</i>

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

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**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Swiss Valley Joint Ambulance District, Tuscarawas County (the District), as a body corporate and politic. A seven-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Auburn Township, Village of Baltic, Bucks Township, Clark Township, Sugarcreek Township, Village of Sugarcreek, and Walnut Creek Township. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

B. Accounting Basis

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

C. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. 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 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 canceled, and reapportioned in the subsequent year.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Balance

Fund balance is divided into classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. Of these classifications, the District has the following:

Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

E. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. Equity in Pooled Deposits

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2014	2013
Demand deposits	\$92,261	\$143,126

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$302,198	\$278,892	(\$23,306)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$445,324	\$329,757	\$115,567

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2014 AND 2013
(Continued)**

3. Budgetary Activity (Continued)

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$296,784	\$322,314	\$25,530

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$403,210	\$285,614	\$117,596

4. Debt

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
Kansas State Bank - Ambulances	\$153,723	3%

The Kansas State Bank lease relates to the purchase of two 2013 Ford E350 Braun Express Ambulances. Monthly installments of \$4,056, including interest, will be paid through 2018. The lease is secured by the equipment.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Capital Lease
2015	\$48,667
2016	48,667
2017	48,667
2018	16,222
Total	\$162,223

5. Retirement System

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2014.

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2014 AND 2013
(Continued)**

6. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

7. Subsequent Events

The District has received written notification that the following entities will be withdrawing from the District: Village of Sugarcreek, Sugarcreek Township, Auburn Township, and Walnut Creek Township. The District has entered into a one-year contract with the Village of Sugarcreek to provide coverage to all of the aforementioned entities, with the option to terminate the contract with 30 days' notice. On December 22, 2015, the District approved a mediated proposal which would allocate a portion of the District's assets, along with the related debt, to the Village of Sugarcreek. In addition, this proposal included the allocation of 34% of the unencumbered cash balance at December 31, 2015 to the withdrawing entities.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Swiss Valley Joint Ambulance District
Tuscarawas County
102 W. Main Street
Baltic, Ohio 43804

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the cash balances, receipts, and disbursements of the Swiss Valley Joint Ambulance District, Tuscarawas County, Ohio (the District), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statement and have issued our report thereon dated December 30, 2015 wherein we noted the District followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statement. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a significant deficiency. We consider Finding 2014-002 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statement is 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.

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However, opining 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2014-001.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2015

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Finding for Recovery

Swiss Valley Joint Ambulance District Resolution 12-146, "Establishing Salaries for the Board of Trustees of the Swiss Valley Joint Ambulance District and for Certain Employees of Said District," provides in Section 1(C) that Paramedics shall receive a wage of \$10.00 per hour and EMT's shall receive a wage of \$9.00 per hour. This Resolution was approved on April 11, 2012 and remained in effect until March 13, 2013.

Swiss Valley Joint Ambulance District Resolution 13-151, "Establishing Salaries for the Board of Trustees of the Swiss Valley Joint Ambulance District and for Certain Employees of Said District," provides in Section 1(C) that Paramedics shall receive a wage of \$11.00 per hour and EMT's shall receive a wage of \$9.50 per hour. This Resolution was approved on March 13, 2013 and remained in effect throughout the rest of 2013 and 2014.

During 2014 and 2013, District employee, Nyoka Lewis, was compensated as a paramedic; however, based on the certification earned by Ms. Lewis, she had only achieved the rank of EMT. During 2014, Ms. Lewis was compensated \$1,620 for 147.25 hours worked. EMT Lewis should have been compensated \$1,399 in 2014. During 2013, EMT Lewis was compensated \$428 for 42.75 hours worked subject to Resolution 12-146 and \$1,502 for 136.5 hours worked subject to Resolution 13-151. EMT Lewis should have been compensated a total of \$1,682 in 2013. As a result, EMT Nyoka Lewis was overcompensated \$221 and \$248 in 2014 and 2013, respectively.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against EMT Nyoka Lewis in the amount of \$469 in favor of the District's General Fund.

Under Ohio Law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. Seward v. National Surety Corp., 120 Ohio St. 47 (1929); 1980 Op. Atty Gen. No. 80-074; Ohio Rev. Code §9.39; State, ex.re. Village of Linndale v. Masten, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, or lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty Gen. No. 80-074.

Fiscal Officer Margaret Schie processed the improper payments to Ms. Lewis. Accordingly, Margaret Schie and her bonding company, Erie Insurance, will be jointly and severally liable in the amount of \$469 and in favor of the District's General Fund.

The District needs to adhere to the Swiss Valley Joint Ambulance District Resolution 13-151, "Establishing Salaries for the Board of Trustees of the Swiss Valley Joint Ambulance District and for Certain Employees of Said District" to ensure the employees are compensated correctly. This will help ensure the District employees are not overcompensated.

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2014-002

Significant Deficiency

The District should maintain an accounting system and accounting records sufficient to enable the District to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

As a result of procedures performed, errors were noted in the District's financial statements that required audit reclassifications. During both 2014 and 2013, the District debt payments were not properly classified. In 2014, debt service payments for Principal and Interest in the amounts of \$43,030 and \$5,637, respectively, were misclassified as Capital Outlay expenditures. In 2013, debt service payments for Principal and Interest in the amounts of \$28,532 and \$3,913, respectively, were misclassified as Capital Outlay expenditures.

Sound financial reporting is the responsibility of the District Clerk and is essential to ensure the information provided to the readers of the financial statement is complete and accurate. The financial statements have been adjusted accordingly.

To help ensure the financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures to identify and correct errors and omissions.

Officials' Response: We did not receive a response from Officials to the findings reported above.



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SWISS VALLEY JOINT 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
JANUARY 14, 2016**