

**SWISS VALLEY JOINT 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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Board of Trustees
Swiss Valley Joint Ambulance District

We have reviewed the Independent Auditor's Report of the Swiss Valley Joint Ambulance District, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc. for the audit period January 1, 1999 through 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 Swiss Valley Joint Ambulance District is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

October 5, 2001

SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Audit Report
For the years ended December 31, 1999 and 2000

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SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
AUDIT REPORT
For the years ended December 31, 1999 and 2000

APPOINTED OFFICIALS

<u>REPRESENTING</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>
Dale Krebs Auburn Township	Chairman	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A
Gene Stein Bucks Township	Vice Chairman	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A
Norman J. Troyer Clark Township	Trustee	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A
Ted Miller Sugarcreek Township	Trustee	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A
Lana Guisinger Village of Baltic	Trustee	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A
Jessie Bitikofer Village of Sugarcreek	Trustee	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A
Walt Wilson	Coordinator	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A
Ruth Menges	Clerk	1/1/99 – 12/31/99 1/1/00 – 12/31/00	(A)
Peg Jones	Paramedic Coordinator	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A
Hazel Schweitzer	Training Coordinator	1/1/99 – 12/31/99 1/1/00 – 12/31/00	N/A

(A) The Personal Service Insurance Co. in the amount of \$3,000

Legal Board of Trustees

Thomas Miller, Attorney
232 North Factory Street
Sugarcreek, Ohio 44681

Joint Ambulance District Address

154 North Broadway
Box 684
Sugarcreek, Ohio 44681

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

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
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REPORT OF INDEPENDENT ACCOUNTANTS

**Board of Trustees
Swiss Valley Joint Ambulance District
Sugar creek, Ohio 44681**

We have audited the accompanying financial statements of the Swiss Valley Joint Ambulance District (the Ambulance 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 Ambulance 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 and the 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, 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 statement of cash, investments and fund cash balances of the Ambulance District, as of December 31, 1999 and 2000, and the statement of cash receipts, cash disbursements, and changes in fund cash balances, its statement of cash receipts-budget and actual and statement of cash disbursements compared with disbursement authority for the year 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 September 19, 2001 on our consideration of the Ambulance District's internal control over financial reporting and our tests of its compliance with certain provisions of 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 audit.

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

***Charles E. Harris & Associates, Inc.*
September 19, 2001**

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
STATEMENT OF CASH, INVESTMENTS AND
FUND CASH BALANCES - GOVERNMENTAL FUND TYPE
For the years ended December 31, 1999 and 2000**

	<u>1999 Balance</u>	<u>2000 Balance</u>
Cash and Cash Equivalents	\$ <u>155,394</u>	\$ <u>130,618</u>

Cash Balances by Fund Type

Governmental Fund Types:

General Fund	\$ <u>155,394</u>	\$ <u>130,618</u>
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See accompanying Notes to the Financial Statements.

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPE
For the Years Ended December 31, 1999 and 2000**

	<u>1999</u> <u>General</u>	<u>2000</u> <u>General</u>
Cash Receipts:		
Charges for services	\$ 73,395	\$ 72,532
Intergovernmental	59,962	61,961
Interest	4,876	4,874
Donations & Grants	-	7,185
Other	<u>2,470</u>	<u>165</u>
Total Cash Receipts	140,703	146,717
Cash Disbursements:		
General government	82,490	90,947
Capital outlay	<u>1,001</u>	<u>80,546</u>
Total Cash Disbursements	<u>83,491</u>	<u>171,493</u>
Total Cash Receipts Over/(Under) Cash Disbursements	57,212	(24,776)
Cash Fund Balance January 1	<u>98,182</u>	<u>155,394</u>
Cash Fund Balance December 31	\$ <u><u>155,394</u></u>	\$ <u><u>130,618</u></u>

See accompanying Notes to the Financial Statements.

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
STATEMENT OF CASH RECEIPTS - BUDGET AND ACTUAL
For the Years Ended December 31, 1999 and 2000**

<u>Fund Type/Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>1999</u>			
Governmental Fund:			
General Fund	\$ <u>142,462</u>	\$ <u>140,703</u>	\$ <u>(1,759)</u>
<u>2000</u>			
Governmental Fund:			
General Fund	\$ <u>124,961</u>	\$ <u>146,717</u>	\$ <u>21,756</u>

See accompanying Notes to the Financial Statements.

**SWISS VALLEY JOINT 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

The Swiss Valley Joint Ambulance District, Tuscarawas County, (Ambulance District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A six member Board of Trustees, who is appointed from participating townships and villages, directs the Ambulance District. The Ambulance District provides EMS services to Auburn Township, Bucks Township, Clark Township, Sugarcreek Township, the Village of Baltic, and the Village of Sugarcreek. The Ambulance District also serves Walnut Creek Township – Eastern Holmes Fire and EMS District, but they have chosen not to appoint a representative to the Board of Trustees.

Management believes the financial statements included in this report represent all of the funds of the Ambulance District over which the Ambulance District officials have 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 Swiss Valley Joint Ambulance District (the primary government) and its potential component units consistent with Government 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 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 are no component units required to be included in the financial statements.

**SWISS VALLEY JOINT 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

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 by the Auditor of State.

D. INVESTMENTS AND INACTIVE FUNDS

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchase 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 Ambulance District only invests in Certificates of Deposits.

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 the General Fund is reflected in a self-balancing group of accounting entity which stands separate from the activities reported in other funds. The restrictions associated with the fund class is as follows:

Governmental Fund Type:

General Fund

The General Fund is 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.

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.

**SWISS VALLEY JOINT 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)

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/treasurer by September 1.

Prior to December 31, the Ambulance District must revise the budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the clerk/treasurer sends the county auditor a certificate, which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate and 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/treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificates issued during 1999 and 2000.

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

3. Appropriations

A temporary appropriation measure to control cash disbursements 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 April 1 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.

The legal level of budgetary control is at the function level in the General Fund. Any budgetary modifications at this level may only be made by resolution of the Ambulance District Board of Trustees.

**SWISS VALLEY JOINT 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 Ambulance 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 Ambulance District does not encumber properly as required by Ohio law.

Unencumbered appropriations lapse at year end. Encumbered appropriations should be carried forward to the succeeding fiscal year without being re-appropriated. In the budgetary financial statements, encumbrances should be added to budgetary expenditures and compared to current year appropriations plus prior year carry-over appropriations.

2. **RISK MANAGEMENT**

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

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

<u>Insurance Provider</u>	<u>Coverage</u>	<u>Amount</u>	<u>Deductible</u>
Scottsdale Indemnity Company	General Liability Coverage		
	Business Personal Property	\$ 92,000	\$ 250
	Bodily Injury & Property Damage	1,000,000	-0-
	Personal Injury & Advertising		
	Injury	1,000,000	-0-
	Employee Benefits Injury	1,000,000	-0-
	Fire, Lightning or Explosion	500,000	-0-
	Medical Payments	5,000	-0-
	General Aggregate Limit	2,000,000	-0-
	Products-Completed Operations		
	Aggregate Limit	2,000,000	-0-
	Employers Liability and Stop Gap		
	Bodily Injury by Accident	1,000,000	-0-
	Bodily Injury by Disease	1,000,000	-0-
Aggregate	2,000,000	-0-	

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000**

2. RISK MANAGEMENT - (continued)

<u>Insurance Provider</u>	<u>Coverage</u>	<u>Amount</u>	<u>Deductible</u>
	Firefighters Professional Liability		
	Wrongful Act	1,000,000	-0-
	Injunctive Relief	5,000	-0-
	Annual Aggregate both coverage's	2,000,000	-0-
	Commercial Auto	1,000,000	-0-
	Uninsured Motorist	1,000,000	
	Comprehensive	Actual Cost	250
	Collision	Actual Cost	250
	Rental Reimbursement		
	Any one day	50	-0-
	Any one period	1,500	-0-
	Public Officials Liability	500,000	500

Settled Claims have not exceeded this commercial coverage in any of the last five years. There have been no significant reductions in insurance coverage from last year.

A separate bond with \$3,000 limit covers the Clerk of the Ambulance District.

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

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Ambulance District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the "Statement of Cash, Investments, and Fund Cash Balances - All Fund Types, 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.

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000**

3. EQUITY IN POOLED CASH AND INVESTMENTS - (continued)

Legal Requirements - (continued)

"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.

Interim monies may be invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligations or security issued by the United States treasury or any other obligations guaranteed as to principal or 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 Mortgage Association, 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 services 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 agreements, must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that term of the agreement must not exceed thirty days;
4. Bond 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 the is division are made only through eligible institutions; and
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.

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000**

3. EQUITY IN POOLED CASH AND INVESTMENTS - (continued)

Legal Requirements - (continued)

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 Clerk/Treasurer 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.

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 was \$155,394 in 1999 and \$130,618 in 2000 and the bank balance was \$167,524 in 1999 and \$145,446 in 2000. The bank balances were covered by federal depository insurance in 1999 and 2000.

Investments

The Ambulance District's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the Ambulance District holds the securities. Category 2 includes uninsured and unregistered investments for which the broker's or dealer's holds the securities by the broker's or dealer'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 broker or by its trust department but not in the Ambulance District's name.

The classification of cash and cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."

Reconciliation between the classifications of cash and cash equivalents and investments on the financial statements and classifications of deposits and investments presented above per GASB Statement No. 3 for 1999 and 2000 is normally shown, but there were no investments classified under GASB No. 3 or 9.

4. DEFINED BENEFIT PENSION PLANS

The Public Employees Retirement System of Ohio covers the employees of the Ambulance District. The State of Ohio accounts for the activities of the retirement system and the amounts of these funds are not reflected in the accompanying financial statements.

**SWISS VALLEY JOINT AMBULANCE DISTRICT
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 1999 and 2000**

4. DEFINED BENEFIT PENSION PLANS – (Continued)

All Ambulance District employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-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. Chapter 145 of the Ohio Revised Code establishes benefits. 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 in 1999 and 10.84 percent in 2000. 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 \$5,468, \$6,606 and \$6,436. The full amount has been contributed for 2000, 1999 and 1998.

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.

**SWISS VALLEY JOINT 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 – (Continued)

During 2000, the Retirement Board initiated significant policy changes. The Retirement Board enacted a temporary employer contribution rate rollback for calendar 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 was \$2,169.

6. 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
Swiss Valley Joint Ambulance District
Sugarcreek, Ohio 44681**

We have audited the financial statements of the Swiss Valley Joint Ambulance District as and for the years ended December 31, 1999 and 2000, and have issued our report thereon dated September 19, 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 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 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 in a separate letter dated September 19, 2001.

Internal Controls Over Financial Reporting

In planning and performing our audit, 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. 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 the Ambulance District in a separate letter dated September 19, 2001.

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

Charles E. Harris & Associates, Inc.
September 19, 2001

STATUS OF PRIOR YEAR CITATIONS AND RECOMMENDATIONS

The prior audit report, for the period ending December 31, 1998 and 1997, did not include material citations or recommendations.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
OCTOBER 16,2001**