



**Auditor of State
Betty Montgomery**

**NORTHWEST WOOD AMBULANCE DISTRICT
WOOD COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Northwest Wood Ambulance District
Wood County
P.O. Box 216
Grand Rapids, OH 43522-0216

To the Board of Trustees:

We have audited the accompanying financial statements of Northwest Wood Ambulance District, Wood County, (the District) as of and for the years ended December 31, 2002 and 2001. 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 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 District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances and reserves for encumbrances of the District, as of December 31, 2002 and 2001, 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 July 10, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

Northwest Wood Ambulance District
Wood County
Independent Accountants' Report
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This report is intended solely for the information and use of the audit committee, management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 10, 2003

**NORTHWEST WOOD AMBULANCE DISTRICT
WOOD COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001**

	2002	2001
Cash Receipts:		
Tax Receipts	\$216,550	\$209,179
Earnings on Investments	1,551	2,776
	218,101	211,955
Cash Disbursements:		
Settlement Deductions	1,912	2,250
Advertising		11
Bank Charge	60	161
Clerk Fees	2,540	2,419
EMS Provider Contract	207,901	206,115
Insurance	1,836	1,325
Legal Fees	350	
Miscellaneous	800	10,619
Office Expense	441	1,444
Rent	232	232
Trustee Fees	3,375	840
Loan Payment:		
Principal	18,434	36,460
Interest	1,102	3,076
	238,983	264,952
Total Disbursements Over Receipts	(20,882)	(52,997)
Cash Balances, January 1	96,419	149,416
Cash Balances, December 31	\$75,537	\$96,419
Reserves for Encumbrances, December 31	\$52,067	\$25,492

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

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**NORTHWEST WOOD AMBULANCE DISTRICT
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Northwest Wood Ambulance District, Wood 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 four-member Board of Trustees. One board member is appointed by each political subdivision within the District. Those subdivisions are Washington and Grand Rapids Townships and the Villages of Grand Rapids and Tontogany. The District provides 24 hour emergency medical service within the District.

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

Certificates of deposit are valued at cost.

D. Budgetary Process

The Ohio Revised Code requires that the 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 Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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.

**NORTHWEST WOOD AMBULANCE DISTRICT
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not utilize the encumbrance method of accounting for the fiscal years ending December 31, 2002 and 2001.

A summary of 2002 and 2001 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. CASH

The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	2002	2001
Demand deposits	\$10,749	\$6,820
7-Day Business Savings	36,521	62,020
Certificates of deposit	28,267	27,579
Total deposits	\$75,537	\$96,419

Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts

	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$230,671	\$218,101	(\$12,570)

2002 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$282,250	\$291,050	(\$8,800)

2001 Budgeted vs. Actual Receipts

	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$230,671	\$211,955	(\$18,716)

**NORTHWEST WOOD AMBULANCE DISTRICT
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$321,095	\$290,444	\$30,651

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 Trustees. 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, the first half is due December 31. The second half payment is due the following June 20.

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 District.

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Commercial Loan	\$11,887	5.75%

The Commercial Loan relates to the construction of an ambulance station and garage facility to house the on-call ambulance staff and the emergency vehicle and equipment. The original loan was acquired in 1996 and an adjustment was made in February 1998 to \$127,491. The loan is to be repaid in monthly installments of \$794.67, including interest, over 26 years. The District made additional principal payment of \$10,000 in March 2001 and March 2002 and \$20,000 in October 2001. The commercial loan is secured by the ambulance station and garage facility constructed with the proceeds of the loan.

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

Year ending December 31:	Commercial Note
2003	9,536
2004	2,835
Total	\$12,371

**NORTHWEST WOOD AMBULANCE DISTRICT
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RISK MANAGEMENT

Risk Pool Membership

The District belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association with approximately 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages. Effective September 1, 2002, the Plan retains 5 percent of the premium and losses on the first \$500,000 casualty treaty (up to \$25,000 of a loss) and 5 percent of the first \$1,000,000 property treaty (up to \$50,000 of a loss). The Plan also participates in a loss corridor in its first \$500,000 casualty reinsurance. The corridor includes losses paid between 55 percent and 65 percent of premiums earned under this treaty. (Reinsurance coverage would resume after a paid loss ratio of 65 percent is exceeded.) The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.



**Auditor of State
Betty Montgomery**

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

Northwest Wood Ambulance District
Wood County
P.O. Box 216
Grand Rapids, OH 43522-0216

To the Board of Trustees:

We have audited the financial statements of Northwest Wood Ambulance District, Wood County, as of and for the year ended December 31, 2002 and 2001, and have issued our report thereon dated July 10, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-001 through 2002-005. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated July 10, 2003

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Northwest Wood Ambulance District
Wood County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 10, 2003

**NORTHWEST WOOD AMBULANCE DISTRICT
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2002-001

Finding for Recovery

Ohio Revised Code § 505.71, states members of the board of trustees may be compensated at a rate not to exceed seventy-five dollars per meeting, not to exceed fifteen meetings per year, and may be reimbursed for all necessary expenses incurred. The effective date of this law was September 20, 2002. Prior to this date, the trustees were limited to twenty dollars per meeting not to exceed fifteen meetings per year. During the audit period, Alex Molner was over-compensated in the amounts scheduled below. These overpayments were due to the rate paid per meeting being increased prior to the effective date of the law. As a result he was overcompensated \$440.00 during fiscal year 2002.

	Alex Molner
1/8/2002	\$20
2/12/2002	Absent
3/12/2002	20
4/9/2002	20
5/14/2002	20
6/11/2002	20
7/9/2002	20
8/13/2002	20
9/10/2002	20
10/8/2002	75
11/12/2002	75
12/10/2002	75
Total Due	385
Amount Paid	825
Overpayment	<u>\$440</u>

In accordance with the forgoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money that has been illegally expended is hereby issued against Alex Molner, Trustee, and Jeannette Colburn, Clerk and Ohio Risk Management Plan, her bonding company in the amount of Four hundred forty dollars (\$440.00) and in favor of the General Fund.

FINDING NUMBER 2002- 002

Finding for Recovery

Ohio Revised Code § 505.71, states members of the board of trustees may be compensated at a rate not to exceed seventy-five dollars per meeting, not to exceed fifteen meetings per year, and may be reimbursed for all necessary expenses incurred. The effective date of this law was September 20, 2002. Prior to this date, the trustees were limited to twenty dollars per meeting not to exceed fifteen meetings per year. During the audit period, George Foos was over-compensated in the amounts scheduled below. These overpayments were due to the rate paid per meeting being increased prior to the effective date of the law. As a result he was overcompensated \$440.00 during fiscal year 2002.

	George Foos
1/8/2002	\$20
2/12/2002	20
3/12/2002	20
4/9/2002	20
5/14/2002	20
6/11/2002	20
7/9/2002	20
8/13/2002	20
9/10/2002	Absent
10/8/2002	Absent
11/12/2002	75
12/10/2002	75
Total Due	310
Amount Paid	750
Over payment	<u>\$440</u>

In accordance with the forgoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money that has been illegally expended is hereby issued against George Foos, Trustee, and Jeannette Colburn, Clerk, and Ohio Risk Management Plan, her bonding company, in the amount of Four hundred forty dollars (\$440.00) and in favor of the General Fund.

FINDING NUMBER 2002- 003

Finding for Recovery

Ohio Revised Code § 505.71, states members of the board of trustees may be compensated at a rate not to exceed seventy-five dollars per meeting, not to exceed fifteen meetings per year, and may be reimbursed for all necessary expenses incurred. The effective date of this law was September 20, 2002. Prior to this date, the trustees were limited to twenty dollars per meeting not to exceed fifteen meetings per year. During the audit period, Eric Flora was over-compensated in the amounts scheduled below. These overpayments were due to the rate paid per meeting being increased prior to the effective date of the law. As a result he was overcompensated \$495.00 during fiscal year 2002.

	Eric Flora
1/8/2002	\$20
2/12/2002	20
3/12/2002	20
4/9/2002	20
5/14/2002	20
6/11/2002	20
7/9/2002	20
8/13/2002	20
9/10/2002	20
10/8/2002	75
11/12/2002	75
12/10/2002	75
Total Due	405
Amount Paid	900
Over payment	<u>\$495</u>

In accordance with the forgoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money that has been illegally expended is hereby issued against Eric Flora, Trustee, and Jeannette Colburn, Clerk, and Ohio Risk Management Plan, her bonding company, in the amount of Four hundred ninety five dollars (\$495.00) and in favor of the General Fund.

FINDING NUMBER 2002- 004

Finding for Recovery

Ohio Revised Code § 505.71, states members of the board of trustees may be compensated at a rate not to exceed seventy-five dollars per meeting, not to exceed fifteen meetings per year, and may be reimbursed for all necessary expenses incurred. The effective date of this law was September 20, 2002. Prior to this date, the trustees were limited to twenty dollars per meeting not to exceed fifteen meetings per year. During the audit period, Richard Meek was over-compensated in the amounts scheduled below. These overpayments were due to the rate paid per meeting being increased prior to the effective date of the law. As a result he was overcompensated \$440.00 during fiscal year 2002.

	Richard Meek
1/8/2002	\$20
2/12/2002	20
3/12/2002	20
4/9/2002	20
5/14/2002	20
6/11/2002	20
7/9/2002	20
8/13/2002	20
9/10/2002	20
10/8/2002	75
11/12/2002	75
12/10/2002	75
Total Due	405
Amount Paid	900
Over payment	<u>\$495</u>

In accordance with the forgoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money that has been illegally expended is hereby issued against Richard Meek, Trustee, and Jeannette Colburn, Clerk, and Ohio Risk Management Plan, her bonding company, in the amount of Four hundred ninety-five dollars (\$495.00) and in favor of the General Fund.

FINDING NUMBER 2002- 005

Noncompliance Citation

Ohio Revised Code § 5705.41 (D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification should be null and void.

This section also provides two exceptions to the above requirement:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate stating that there was at the time of making such a contract or order and at the time of execution of such certificate a sufficient sum was appropriated and free of any previous encumbrance, the Board of Trustees 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, if such expenditure is otherwise valid.
- B. Amounts of less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the Board of Trustees upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

One hundred percent of the transactions tested were not certified by the Clerk prior to the expenditure or order being placed, and no "Then and Now" Certificate was issued. This procedure is not only required by the Ohio Revised Code, but is also a key control in the disbursement process. To help assure that purchase commitments receive prior approval and reduce the possibility of the District funds being over-expended we recommend all disbursements receive certification of the Clerk that the funds are or were available.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

NORTHWEST WOOD AMBULANCE DISTRICT

WOOD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 19, 2003**