

**NORTHWEST FIRE AND
AMBULANCE DISTRICT**

PREBLE COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
Northwest Fire and Ambulance District
135 N. Washington Street
New Paris, OH 45347

We have reviewed the *Independent Auditor's Report* of the Northwest Fire and Ambulance District, Preble County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2021. 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 Northwest Fire and Ambulance District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 17, 2022

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**NORTHWEST FIRE AND AMBULANCE DISTRICT
PREBLE COUNTY**

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Independent Auditor's Report

Northwest Fire and Ambulance District
Preble County
135 North Washington Street
New Paris, Ohio 45347

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type of the Northwest Fire and Ambulance District, Preble County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type of the Northwest Fire and Ambulance District, as of and for the years ended December 31, 2021 and 2020, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

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" section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Northwest Fire and Ambulance District, as of December 31, 2021 and 2020, or changes in net position for the years then ended.

Basis for Opinions

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. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Northwest Fire and Ambulance District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Northwest Fire and Ambulance District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Though the Northwest Fire and Ambulance District does not intend these statements 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

Emphasis of Matters

As described in Note 13 to the financial statements for the year ended December 31, 2020, during 2020 the District adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. It was also described in Note 13 for the year ended December 31, 2021, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Northwest Fire and Ambulance District. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Northwest Fire and Ambulance District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

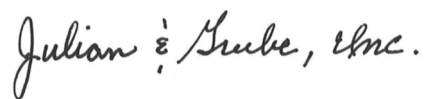
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northwest Fire and Ambulance District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Northwest Fire and Ambulance District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022, on our consideration of the Northwest Fire and Ambulance District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Northwest Fire and Ambulance District's 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 Northwest Fire and Ambulance District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
September 22, 2022

NORTHWEST FIRE AND AMBULANCE DISTRICT
Preble County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 357,199	\$ -	\$ 357,199
Charges for Services	21,027	162,756	183,783
Intergovernmental	29,459	12,160	41,619
Earnings on Investments	312	-	312
Miscellaneous	5,065	-	5,065
<i>Total Cash Receipts</i>	<u>413,062</u>	<u>174,916</u>	<u>587,978</u>
Cash Disbursements			
Current Disbursements:			
Security of Persons and Property:			
General Government	174,714	23,178	197,892
Public Safety	44,710	228,971	273,681
Debt Service:			
Principal Retirement	16,335	-	16,335
Interest and Fiscal Charges	1,519	-	1,519
<i>Total Cash Disbursements</i>	<u>237,278</u>	<u>252,149</u>	<u>489,427</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>175,784</u>	<u>(77,233)</u>	<u>98,551</u>
Other Financing Receipts (Disbursements)			
Transfers In	-	220,668	220,668
Transfers Out	(220,668)	-	(220,668)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(220,668)</u>	<u>220,668</u>	<u>-</u>
<i>Net Change in Fund Cash Balance</i>	(44,884)	143,435	98,551
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>382,320</u>	<u>(77,011)</u>	<u>305,309</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 337,436</u>	<u>\$ 66,424</u>	<u>\$ 403,860</u>

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

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Northwest Fire and Ambulance District, Preble County, (the “District”) as a body corporate and politic. A five-member Board of Trustees governs the District. The Village of New Paris and Jefferson Township political subdivisions within the District appoint two members each. The fifth Trustee is an at large member appointed by the other four members. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

The District’s management believes the financial statement presents all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District’s financial statement consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Fund - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Fund:

EMS MCA Fund – This fund is used to account for fees received from the District’s billing company, Medical Claims Assistance, for emergency medical services and related expenditures.

Basis of Accounting

The financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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).

The statement includes adequate disclosures of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

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 in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

Restricted - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Committed - Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$411,226	\$413,062	\$1,836
Special Revenue	364,468	395,584	31,116
Total	<u>\$775,694</u>	<u>\$808,646</u>	<u>\$32,952</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$531,793	\$459,124	\$72,669
Special Revenue	282,622	254,561	28,061
Total	<u>\$814,415</u>	<u>\$713,685</u>	<u>\$100,730</u>

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 4 – Deposits and Investments

The District maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	\$154,369
Other time deposits (savings and NOW accounts)	249,491
Total deposits	<u><u>\$403,860</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the District.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

Note 6 – Risk Management

Worker’s Compensation

Workers’ compensation coverage is provided by the State of Ohio. The District pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Risk Pool Membership

The District is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the (name of subdivision's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The District's full time 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 postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

Social Security

The District's part-time firefighters and Trustees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Promissory Note- Extrication Equipment	\$28,717	3.75%
Total	<u>\$28,717</u>	

In 2016, the District obtained a bank loan to finance the purchase of a new heart monitor/defibrillator. The monitor/defibrillator collateralized the loan. This loan was paid in full during 2021.

In 2020, the District obtained a promissory note to finance the purchase of extrication equipment. No collateral was required for this note.

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

<u>Year Ending December 31:</u>	<u>Promissory Note</u>
2022	7,865
2023	7,865
2024	7,865
2025	7,865
Total	<u>\$31,460</u>

Note 10 – Contingent Liabilities

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

Note 11 – Related Party Transactions

The District has a Volunteer Fireman, Marcus Miller, who owns ProMark Signs and Apparel Solutions. His business occasionally prints shirts, jackets, and hats for our Fireman and EMS as well as striping needed to be done on Ambulances. Marcus only runs one or two Fire or EMS calls with the District per year.

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Marcus Miller also belongs to an emergency Rapid Response organization that is utilized when search and rescue operations are needed within the state. Rapid Response has signed a contract with the Board of Trustees to be able to use our MARCS Radio frequency needed for interoperability during emergency rescue scenarios and services.

Note 12 – Fund Balances

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Nonspendable:			
Unclaimed Monies	\$2,117	\$1,674	\$3,791
Outstanding Encumbrances	<u>1,178</u>	<u>2,412</u>	<u>3,590</u>
Total	<u>\$3,295</u>	<u>\$4,086</u>	<u>\$7,381</u>

The fund balance of special revenue funds is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 14 – Fund Balance Restatement

For 2021, the District restated the beginning General and Special Revenue fund balances due to a change in accounting systems and funds, and the voiding of checks originally issued during a prior year and later re-issued in 2022. Below are the restated fund amounts:

	<u>Balance January 1, 2021</u>	<u>Adjustment</u>	<u>Restated Balance</u>
General Fund	\$384,436	(\$2,116)	\$382,320
Special Revenue Fund	(\$79,668)	\$2,657	(\$77,011)

NORTHWEST FIRE AND AMBULANCE DISTRICT
Preble County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	348,423	-	348,423
Charges for Services	33,290	139,563	172,853
Intergovernmental	33,061	47,046	80,107
Earnings on Investments	177	-	177
Miscellaneous	92,785	-	92,785
<i>Total Cash Receipts</i>	<u>507,736</u>	<u>186,609</u>	<u>694,345</u>
Cash Disbursements			
Current Disbursements:			
Security of Persons and Property:			
General Government	231,775	41,972	273,747
Public Safety	-	224,305	224,305
Capital Outlay	35,000	-	35,000
Debt Service:			
Principal Retirement	9,606	-	9,606
Interest and Fiscal Charges	385	-	385
<i>Total Cash Disbursements</i>	<u>276,766</u>	<u>266,277</u>	<u>543,043</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>230,970</u>	<u>(79,668)</u>	<u>151,302</u>
Other Financing Receipts (Disbursements)			
Loan Proceeds	35,000	-	35,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
<i>Net Change in Fund Cash Balance</i>	265,970	(79,668)	186,302
<i>Fund Cash Balances, January 1</i>	<u>118,466</u>	<u>-</u>	<u>118,466</u>
<i>Fund Cash Balances, December 31</i>	<u><u>384,436</u></u>	<u><u>(79,668)</u></u>	<u><u>304,768</u></u>

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

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Northwest Fire and Ambulance District, Preble County, (the “District”) as a body corporate and politic. A five-member Board of Trustees governs the District. The Village of New Paris and Jefferson Township political subdivisions within the District appoint two members each. The fifth Trustee is an at large member appointed by the other four members. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

The District’s management believes the financial statement presents all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

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EMS MCA Fund – This fund is used to account for fees received from the District’s billing company, Medical Claims Assistance, for emergency medical services and related expenditures.

Basis of Accounting

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The statement includes adequate disclosures of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2020

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

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.

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 in the subsequent year.

A summary of 2020 budgetary activity appears in Note 4.

Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

Restricted - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2020

Committed - Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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.

Note 3 – Compliance

Contrary to Ohio Revised Code § 5705.10(I), at December 31, 2020, the EMS MCA Fund (a special revenue fund) had a cash deficit balances of \$79,668.

Contrary to Ohio Revised Code Sections 5705.39 and 5705.36, appropriations exceeded estimated resources and contrary to Ohio Revised Code Section 5705.36(A)(4), appropriations exceed actual receipts plus beginning cash balances in the MCA Fund (a special revenue fund) for the year ended December 31, 2020.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$474,570	\$542,736	\$68,166
Special Revenue	154,794	186,609	31,815
Total	\$629,364	\$729,345	\$99,981

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$334,982	\$276,766	\$58,216
Special Revenue	289,758	266,276	23,482
Total	\$624,740	\$543,042	\$81,698

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2020

Note 5 – Deposits and Investments

The District maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	\$159,339
Other time deposits (savings account)	145,429
Total deposits	<u>304,768</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the District.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

Note 7 – Risk Management

Worker’s Compensation

Workers’ compensation coverage is provided by the State of Ohio. The District pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2020

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The District’s full time 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 postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2020.

Social Security

The District’s part-time firefighters and Trustees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2020.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bank Loan- Heart Monitor	\$9,794	1.99%
Promissory Note- Extrication Equipment	35,260	3.75%
Total	<u>\$45,054</u>	

In 2016, the District obtained a bank loan to finance the purchase of a new heart monitor/defibrillator. The monitor/defibrillator collateralized the loan.

In 2020, the District obtained a \$35,000 promissory note to finance the purchase of extrication equipment. A \$260 processing fee was deferred by the District and included in the principal amount. No collateral was required for this note.

NORTHWEST FIRE AND AMBULANCE DISTRICT

Preble County

Notes to the Financial Statement

For the Year Ended December 31, 2020

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

Year Ending December 31:	Bank Loan	Promissory Note
2021	\$9,991	\$7,865
2022	0	7,865
2023	0	7,865
2024	0	7,865
2025	0	7,865
Total	<u>\$9,991</u>	<u>\$39,325</u>

Note 11 – Contingent Liabilities

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

Note 12 – Related Party Transactions

The District has a Volunteer Fireman, Marcus Miller, who owns ProMark Signs and Apparel Solutions. His business occasionally prints shirts, jackets, and hats for our Fireman and EMS as well as striping needed to be done on Ambulances. Marcus only runs one or two Fire or EMS calls with the District per year.

Marcus Miller also belongs to an emergency Rapid Response organization that is utilized when search and rescue operations are needed within the state. Rapid Response has signed a contract with the Board of Trustees to be able to use our MARCS Radio frequency needed for interoperability during emergency rescue scenarios and services.

Note 13 – Change in Accounting Principle

For 2020, the District has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) - all governmental fund types. There was no effect on the beginning fund balance.

Note 14 – Fund Balances

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the District did not have any outstanding encumbrances or unclaimed monies.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Northwest Fire and Ambulance District
Preble County
135 North Washington Street
New Paris, Ohio 45347

To the Board of Trustees:

We have audited, in accordance with the 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of the Northwest Fire and Ambulance District, Preble County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2022, wherein we noted as described in Note 2 to the financial statements, the Northwest Fire and Ambulance District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. As described in Note 13 to the financial statements for the year ended December 31, 2020, during 2020 the District adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. It was also described in Note 13 to the financial statements for the year ended December 31, 2021, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northwest Fire and Ambulance District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northwest Fire and Ambulance District's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Fire and Ambulance District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Northwest Fire and Ambulance District's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 through 2021-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northwest Fire and Ambulance District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2021-001 and 2021-003.

Northwest Fire and Ambulance District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Northwest Fire and Ambulance District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Northwest Fire and Ambulance District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northwest Fire and Ambulance District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northwest Fire and Ambulance District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
September 22, 2022

**NORTHWEST FIRE AND AMBULANCE DISTRICT
PREBLE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2021-001

Material Weakness/Noncompliance

Ohio Rev. Code § 5705.39 states, in part, that total appropriations from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Ohio Rev. Code § 5705.36 in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

Ohio Revised Code Section 5705.36(A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

Due to improper monitoring of budgetary activity, total appropriations exceeded the total estimated resources in the EMS MCA Fund (a special revenue fund) as follows:

<u>Date</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
December 31, 2020	\$154,794	\$289,758	(\$134,964)

The District had appropriations in excess of actual resources, which consists of actual revenues and beginning unencumbered fund balance, in the EMS MCA Fund (a special revenue fund) as follows:

<u>Date</u>	<u>Appropriations</u>	<u>Actual Resources</u>	<u>Variance</u>
December 31, 2020	\$289,758	\$186,609	(\$103,149)

The District did not request timely amended certificates throughout the year upon notice of increased or decreased resources. Furthermore, by appropriating more funds than actual resources, the District is at risk of spending more money than is available; this may result in negative fund balances.

The District should verify that estimated resources are sufficient to cover appropriations at the time of certification or amendment and timely amend these certificates throughout the year upon notice of increased or decreased resources. We recommend the District monitor estimated resources in comparison with actual resources and appropriations, and if necessary, obtain a decreased amended certificate and amend appropriations accordingly. Further guidance may be found in Auditor of State bulletin 97-010.

Client Response: These issues were noted during the prior audit period and we implemented new policies and procedures in 2021 to correct these issues.

**NORTHWEST FIRE AND AMBULANCE DISTRICT
PREBLE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2021-002

Material Weakness - Financial Statement Misstatements

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal controls relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

All financial information should be correctly reported and classified in the annual financial statements. Due to lack of proper training of the Fiscal Officer, the District's financial statements for 2021 and 2020 contained errors which required re-classifications and adjustments to correctly report the financial activity during the audit period. These re-classifications and adjustments were made to the District's financial report.

Without proper controls and policies in place over the record-keeping process, the District's financial information could be mis-recorded, which could lead to materially misstated financial statements and notes. If uncorrected, this could lead to the misrepresentation of the District's activity.

We recommend the District implement additional internal controls to help ensure receipts and disbursements are properly recorded and reflected in the District's records. We further recommend the District implement additional internal controls over financial reporting to help ensure accurate financial reports throughout the year and at year end. We also recommend the District consult their auditors, local government services or UAN for proper posting of transactions if questions arise.

Client Response: The infractions were noted and discussed, and we are going to be implementing policies and procedures to correct them.

Finding Number	2021-003
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Material Weakness/Noncompliance - Financial Statement Misstatements

Ohio Rev. Code § 5705.10(I) states that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The District had a negative \$79,668 fund balance in the EMS MCA Fund (a special revenue fund) in 2020 in which an exception was not met.

A lack of funds may result in the District being unable to meet its current obligations.

We recommend the District monitor monthly financial reports throughout the year and request funds as necessary through transfers and advances from the General Fund.

Client Response: The infractions were noted and discussed, and we are going to be implementing policies and procedures to correct them. By switching from a manual system to UAN, the District believes this issue is resolved going forward.

**NORTHWEST FIRE AND AMBULANCE DISTRICT
PREBLE COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 AND 2020**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2019-001	2015	<u>Material Weakness/Noncompliance – Appropriations Exceeding Estimated Resources</u> – Total appropriations from each fund should not exceed total estimated resources. Total appropriations exceeded total estimated resources in the EMS MCA Fund (a special revenue fund).	Not Corrected	Repeated as finding 2021-001.
2019-002	2013	<u>Material Weakness – Financial Statement Misstatements</u> - In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. Multiple audit adjustments were made to properly state financial statement amounts.	Not Corrected	Repeated as finding 2021-002.
2019-003	2017	<u>Material Weakness – Jackson Township Contracts</u> – The District had annual agreements in place with Jackson Township for providing fire protection and emergency services. The District did not fully bill the Township for the annual protection fee or fire protection runs during 2019 and 2018.	Corrected	N/A
2019-004	2017	<u>Material Weakness – MCA User Entity Controls</u> – Sound accounting practices require public officials to design and operate a system of internal control. The District did not implement procedures to address internal controls which should be in operation to complement the controls of the MCA medical billing system.	Corrected	N/A
2019-005	2015	<u>Material Weakness – Cash Reconciliations and Financial Activities</u> – The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. The Fiscal Officer did not properly post financial activity to the accounting system during the audit period or compare the reconciled bank balance to the District book balance during the month end reconciliation process.	Corrected	N/A

**NORTHWEST FIRE AND AMBULANCE DISTRICT
PREBLE COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 AND 2020
(CONTINUED)**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2019-006	2019	<u>Material Weakness – Payroll Remittances</u> - Internal Revenue Code 26 U.S.C. 3402 (a)(1) states that in general, every employer making a payment of wages shall deduct and withhold upon such wages a tax. Internal Revenue Code 26 U.S.C. 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter and shall not be liable to any person for the amount of any such payment. While the District deducted and withheld employee wages, including federal income taxes, local income taxes, and retirement system contributions, these withholdings were not remitted in a timely manner. Thus, the District was assessed penalties and interest for late payments.	Corrected	N/A
2019-007	2015	<u>Material Weakness – Payroll Controls</u> – Payroll related controls were lacking causing multiple issues, including; wages improperly recorded net of withholding rather than gross, no official documentation of a board-approved schedule maintained for employee wages, timesheets were not consistently approved by the supervisor for hourly employees, there was no evidence that anyone from the Fiscal Office approved the Fire Chiefs own payroll reports, and certain bonus payment to employees for fire runs lacked board approval.	Corrected	N/A
2019-008	2019	<u>Material Weakness – Nonpayroll Controls</u> - District officials are responsible for maintaining an accounting system and accounting records sufficient to enable the District to identify, assemble, analyze, classify, record, and report its transactions and maintain accountability for its related assets and liabilities. The accounting system should assure that the financial statement assertions are achieved for all transaction types and account balances. During the testing of nonpayroll disbursements, the following was noted; disbursement checks were written but never mailed, purchase requisitions were not consistently approved, and invoices contained no evidence of approval prior to payment.	Corrected	N/A

**NORTHWEST FIRE AND AMBULANCE DISTRICT
PREBLE COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 AND 2020
(CONTINUED)**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2019-009	2019	<u>Material Weakness/Noncompliance – Lack of Support</u> – It is management’s responsibility to implement internal accounting control policies and procedures to reasonably ensure the District’s receipts and disbursements are safeguarded and recorded. Specifically, these controls procedures include the maintenance of adequate documentation to support the accuracy and completeness of receipts and disbursements records. Certain disbursements examined did not have support maintained by the District. Alternative procedures were required to substantiate this activity to ensure it was accurately recorded and for proper public purpose.	Corrected	N/A
2019-010	2019	<u>Material Weakness/Noncompliance</u> - Ohio Revised Code Section 5705.36(A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency. The District had appropriations in excess of actual resources, which consists of actual revenues and beginning unencumbered fund balance, in the EMS MCA Fund (a special revenue fund).	Not Corrected	Moved to finding 2021-001.
2019-011	2019	<u>Material Weakness/Noncompliance - Ohio Revised Code Section 5705.41(D)</u> requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract 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 encumbrances. The District had certain disbursements that were not certified in a timely manner.	Corrected	N/A

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OHIO AUDITOR OF STATE KEITH FABER



NORTHWEST FIRE AND AMBULANCE DISTRICT

PREBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/29/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov