



**Auditor of State
Betty Montgomery**

**NORTHWEST AMBULANCE DISTRICT
ASHTABULA COUNTY**

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**Auditor of State
Betty Montgomery**

REPORT OF INDEPENDENT ACCOUNTANTS

Northwest Ambulance District
Ashtabula County
1480 South Broadway Street
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the accompanying financial statements of Northwest Ambulance District (the District), Ashtabula County, as of and for the years ended December 31, 2003 and 2002. 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 combined fund cash balances of the District, as of December 31, 2003 and 2002, and its combined 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 December 17, 2004 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 Ambulance District
Ashtabula County
Report of Independent Accountants
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This report is intended solely for the information and use of the 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

December 17, 2004

**NORTHWEST AMBULANCE DISTRICT
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Debt Service</u>	
Cash Receipts:			
Local Taxes	\$554,996	\$150,575	\$705,571
Intergovernmental	72,818	13,906	86,724
Charges for Services	144,220		144,220
Earnings on Investments	5,387		5,387
Miscellaneous	19,775		19,775
	<u>797,196</u>	<u>164,481</u>	<u>961,677</u>
Total Cash Receipts			
	<u>797,196</u>	<u>164,481</u>	<u>961,677</u>
Cash Disbursements:			
Current:			
Salaries	415,773		415,773
Supplies and Materials	50,862		50,862
Equipment	337,596		337,596
Repairs	23,806		23,806
Services	62,001		62,001
Insurance	79,530		79,530
Land/Building	507,022		507,022
Debt Service:			
Redemption of Principal		144,946	144,946
Interest		30,128	30,128
Other	48,741		48,741
	<u>1,525,331</u>	<u>175,074</u>	<u>1,700,405</u>
Total Disbursements			
	<u>1,525,331</u>	<u>175,074</u>	<u>1,700,405</u>
Total Receipts Over/(Under) Disbursements	<u>(728,135)</u>	<u>(10,593)</u>	<u>(738,728)</u>
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes	312,000		312,000
	<u>312,000</u>		<u>312,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(416,135)</u>	<u>(10,593)</u>	<u>(426,728)</u>
Fund Cash Balances, January 1	<u>620,493</u>	<u>6,834</u>	<u>627,327</u>
Fund Cash Balances, December 31	<u><u>\$204,358</u></u>	<u><u>(\$3,759)</u></u>	<u><u>\$200,599</u></u>

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

**NORTHWEST AMBULANCE DISTRICT
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Debt Service	
Cash Receipts:			
Local Taxes	\$440,268	\$100,975	\$541,243
Intergovernmental	55,623	11,573	67,196
Charges for Services	134,067		134,067
Earnings on Investments	15,832		15,832
Miscellaneous	25,007		25,007
Total Cash Receipts	670,797	112,548	783,345
Cash Disbursements:			
Current:			
Salaries	352,793		352,793
Supplies and Materials	37,940		37,940
Equipment	10,563		10,563
Repairs	20,556		20,556
Services	34,883		34,883
Insurance	80,685		80,685
Land/Building	484,896		484,896
Debt Service:			
Redemption of Principal		71,494	71,494
Interest		34,220	34,220
Other	33,601		33,601
Total Disbursements	1,055,917	105,714	1,161,631
Total Receipts Over/(Under) Disbursements	(385,120)	6,834	(378,286)
Fund Cash Balances, January 1	1,005,613		1,005,613
Fund Cash Balances, December 31	\$620,493	\$6,834	\$627,327

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

**NORTHWEST AMBULANCE DISTRICT
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Northwest Ambulance District, Ashtabula 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 Harpersfield Township, Geneva Township, Austinburg Township and Geneva City. The District provides rescue services within the District and by contract to areas outside the District.

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

B. 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).

C. Cash and Investments

The District maintained a general operating account.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Debt Service Fund

This fund is used to accumulate resources for the payment of bonds and note indebtedness.

E. Budgetary Process

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

1. Appropriations

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

**NORTHWEST AMBULANCE DISTRICT
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid vacation and sick leave are not reflected as a liability under the District's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2003	2002
Demand deposits	\$200,599	\$627,327

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,069,900	\$1,109,196	\$39,296
Debt Service	125,000	164,481	39,481
Total	\$1,194,900	\$1,273,677	\$78,777

**NORTHWEST AMBULANCE DISTRICT
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,542,626	\$1,525,331	\$17,295
Debt Service	175,074	175,074	0
Total	\$1,717,700	\$1,700,405	\$17,295

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$584,000	\$670,797	\$86,797
Debt Service	154,172	112,548	(41,624)
Total	\$738,172	\$783,345	\$45,173

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,448,700	\$1,055,917	\$392,783
Debt Service	139,300	105,714	33,586
Total	\$1,588,000	\$1,161,631	\$426,369

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

Public utilities are also taxed on personal and real property located within the District.

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.

**NORTHWEST AMBULANCE DISTRICT
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$383,066	5.00%
General Obligation Notes	252,638	4.25%

The District issued general obligation bonds to finance the construction, furnishing, and equipping a building to house ambulance district operations. The bonds were issued on June 27, 2001 in the amount of \$540,000 and have maturities through May 7, 2007. The bonds are collateralized solely by the District's taxing authority.

The general obligation notes were issued to finance the acquisition of two ambulances. The notes were issued on February 25, 2003 in the amount of \$312,000 and have maturities through December 15, 2007. The notes are collateralized solely by the District's taxing authority.

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

	<u>General Obligation Bonds</u>	<u>General Obligation Notes</u>
Year ending December 31:		
2004	\$105,714	\$69,360
2005	105,714	69,360
2006	105,714	69,360
2007	105,714	69,360
Total	<u>\$422,856</u>	<u>\$277,440</u>

6. RETIREMENT SYSTEMS

The District's full-time emergency medical technicians belong to the Public Employees Retirement System (PERS) of Ohio. It is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, PERS members contributed 8.5% of their gross salaries, of which 6% was picked-up by the District. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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



Auditor of State Betty Montgomery

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

Northwest Ambulance District
Ashtabula County
1480 South Broadway Street
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the accompanying financial statements of Northwest Ambulance District (the District), Ashtabula County, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated December 17, 2004. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 2004.

Northwest Ambulance District
Ashtabula County
Report of Independent Accountants 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 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

December 17, 2004



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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NORTHWEST AMBULANCE DISTRICT

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 13, 2005**