



**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Cash Receipts, Cash Disbursements, and Change in Cash Balance For the Year Ended December 31, 2000 .....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Cash Balance For the Year Ended December 31, 1999 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9
Schedule of Findings .....	11

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## REPORT OF INDEPENDENT ACCOUNTANTS

Wyandot East Fire District  
Wyandot County  
8512 State Route 231  
Nevada, Ohio 44849

To the Board of Trustees:

We have audited the accompanying financial statements of the Wyandot East Fire District, Wyandot County, Ohio, (the Fire District) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Fire 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 generally accepted auditing standards 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 Fire 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 Fire District, as of December 31, 2000 and December 31, 1999, 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 March 9, 2001 on our consideration of the Fire District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 9, 2001

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**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
DECEMBER 31, 2000**

<b>Cash Receipts:</b>	
Local Taxes	\$58,907
Intergovernmental	24,597
Charges for Services	8,131
Earnings on Investments	<u>2,839</u>
 Total Cash Receipts	 <u>94,474</u>
 <b>Cash Disbursements:</b>	
General Government	4,965
Public Safety	<u>36,824</u>
 Total Cash Disbursements	 <u>41,789</u>
 Total Cash Receipts Over Cash Disbursements	 52,685
 Cash Balance, January 1, 2000	 <u>64,583</u>
 <b>Cash Balance, December 31, 2000</b>	 <b><u><u>\$117,268</u></u></b>
 Reserves for Encumbrances, December 31, 2000	 <u><u>\$5,871</u></u>

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

**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
DECEMBER 31, 1999**

<b>Cash Receipts:</b>	
Local Taxes	\$57,456
Intergovernmental	1,732
Charges for Services	2,474
Earnings on Investments	2,081
Miscellaneous	<u>466</u>
Total Cash Receipts	<u>64,209</u>
<b>Cash Disbursements:</b>	
General Government	3,506
Public Safety	45,298
Other	<u>378</u>
Total Cash Disbursements	<u>49,182</u>
Total Cash Receipts Over Cash Disbursements	15,027
Cash Balance January 1, 1999	<u>49,556</u>
<b>Cash Balance, December 31, 1999</b>	<b><u><u>\$64,583</u></u></b>
Reserves for Encumbrances, December 31, 1999	<u><u>\$3,991</u></u>

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

**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Wyandot East Fire District, Wyandot County, Ohio, (the Fire 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 Fire District is directed by an appointed four-member Board of Trustees. One Board member is appointed by each political subdivision within the Fire District. Those subdivisions are Eden Township, Tod Township, Antrim Township, and the Village of Nevada. The Fire District provides fire protection and rescue services within the Fire District and by contract to areas outside the Fire District.

The Fire District's management believes these financial statements present all activities for which the Fire 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 each fund be budgeted annually.

**1. Appropriations**

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

**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Fire District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**E. 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. EQUITY IN CASH**

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

	<u>1999</u>	<u>2000</u>
Deposits	\$ 54,602	\$ 67,287
Certificates of deposit	<u>9,981</u>	<u>49,981</u>
Total deposits	<u>\$ 64,583</u>	<u>\$ 117,268</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

At December 31, 2000, \$17,268 of deposits were not insured or collateralized, contrary to Chapter 135, Ohio Revised Code.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

**2000 Budgeted vs. Actual Receipts**

Budgeted Receipts	Actual Receipts	Variance
\$ <u>87,950</u>	\$ <u>94,474</u>	\$ <u>6,524</u>

**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Appropriation Authority	Budgetary Expenditures	Variance
\$ 58,991	\$ 47,660	\$ 11,331

**1999 Budgeted vs. Actual Receipts**

Budgeted Receipts	Actual Receipts	Variance
\$ 0	\$ 64,209	\$ 64,209

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Appropriation Authority	Budgetary Expenditures	Variance
\$ 55,000	\$ 53,173	\$ 1,827

The Fire District did not certify estimated resources with the County Auditor in 1999.

The Fire District's appropriations exceeded total estimated resources in 1999.

The Fire District did not adopt a tax budget for 1999 or 2000.

The Fire District expended funds prior to obtaining certification from the Clerk that funds were lawfully appropriated and in the treasury.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 Fire District.

**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. RETIREMENT SYSTEMS**

The Clerk belongs to the Public Employees Retirement System (PERS) of Ohio. PERS 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. PERS members contributed 8.5% of their gross salaries. The Fire District contributed an amount equal to 13.55% of participants' gross salaries from January 1, 1999 - June 30, 2000. Due to a rollback in employer contribution rates, this amount was reduced to 8.13% from July 1, 2000 - December 31, 2000. The Fire District has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Fire District has obtained commercial insurance for the following risks:

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



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

Wyandot East Fire District  
Wyandot County  
8512 State Route 231  
Nevada, Ohio 44849

To the Board of Trustees:

We have audited the accompanying financial statements of the Wyandot East Fire District, Wyandot County, Ohio (the Fire District ), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 9, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 Fire 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 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 describe in the accompanying schedule of findings as items 2000-40288-001 through 2000-40288-004. We also noted an immaterial instance of noncompliance that we have reported to management of the Fire District in a separate letter dated March 9, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Fire 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 Fire District in a separate letter dated March 9, 2001.

Wyandot East Fire District  
Wyandot County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

March 9, 2001

**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2000-40288-001**

**Certification of Estimated Revenues**

The Ohio Rev. Code Section 5705.36 states that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any balances that existed at the end of the preceding year. Ohio Rev. Code Section 5705.39 states that the total appropriation from each fund should not exceed the total estimated resources available. 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 estimated resources or amended official estimated resources.

The Clerk did not certify to the County Auditor the total amount from all sources available for expenditures in 1999. Therefore, at December 31, 1999, appropriations exceeded total estimated resources by \$55,000. If revenues are not certified, the county auditor cannot certify that the total appropriations from each fund do not exceed the estimated resources.

We recommend the Clerk and the Board of Trustees certify the total amount available from all sources with the County Auditor.

Not certifying estimated revenues was also reported in the prior audit report.

**FINDING NUMBER 2000-40288-002**

**Certification by Clerk**

Ohio Rev. Code Section 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of fiscal officer of the subdivision. 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.

Prior certification of funds by the Clerk was not obtained for sixty-two percent of the expenditures tested in 1999 and 2000.

The Clerk should certify funds before each payment is made through the issuance of a regular, blanket or super blanket purchase order. One blanket certificate can be issued for each line item appropriation for recurring and reasonably predictable operating expenses. These blanket certificates should be canceled at the end of each fiscal year. A super blanket purchase order can be issued for amounts exceeding \$5,000 and for more than one line item appropriation.

Also, as an alternative, the Clerk can issue then and now certificates for expenses up to \$1,000. Then and now certificates allow the Clerk to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the Clerk without subsequent authorization from the Board. However, then and now certificates issued by the Clerk over \$1,000 must be authorized by the Board within thirty days after payment.

Prior certification of the Clerk was also reported in the prior audit report.

**WYANDOT EAST FIRE DISTRICT  
WYANDOT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2000-40288-003**

**Adoption of Tax Budget**

Ohio Rev. Code Section 5705.28 requires a subdivision or other taxing unit to adopt a tax budget for the next succeeding fiscal year on or before July 15 of each year.

The Fire District did not adopt a tax budget for 1999 or 2000.

We recommend the Fire District adopt a tax budget for each fiscal year.

Not adopting a tax budget was also reported in the prior audit report.

**FINDING NUMBER 2000-40288-004**

**Obtaining Pledged Collateral**

Ohio Rev. Code Section 135.18 requires the treasurer of a political subdivision to require the depository to provide as security an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities. Ohio Rev. Code Section 135.181 (c) allows, in lieu of the specific pledging requirements of Section 135.18, an institution designated as a public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the institution and not otherwise secured.

The Fire District had depository balances that exceeded the coverage provided by the Federal Deposit Insurance Corporation (FDIC) from July through December 2000. The total amount of unsecured deposits at December 31, 2000 was \$17,268.

We recommend the Clerk ensure proper security is provided for all Fire District deposits. The Clerk should monitor the coverage through statements requested from the financial institution.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**WYANDOT EAST FIRE DISTRICT**

**WYANDOT 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  
MAY 15, 2001**