

**JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS FOR THE  
YEARS ENDED DECEMBER 31, 1998 AND 1999**

*J. E. Slaybaugh & Associates, Inc.*  
*Certified Public Accountant*  
*12 East Main Street*  
*Lexington, Ohio 44904*



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
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Board of Trustees  
Jeromesville Community Fire District  
Ashland County

We have reviewed the independent auditor's report of the Jeromesville Community Fire District, Ashland County, prepared by J. E. Slaybaugh & Associates, Inc., Certified Public Accountant, for the audit period January 1, 1998 through December 31, 1999. 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 Jeromesville Community Fire District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

October 17, 2000

JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY

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JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY  
APPOINTED OFFICIALS

<u>NAME</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>
<b><u>Trustees:</u></b>			
Harold Landman Chairman	1/1/99-12/31/99		
Ray Raudebaugh Vicc-Chairman	1/1/99-12/31/99		
Norm Hileman	1/1/99-12/31/99		
Ruth Ann Paullin Clerk	1/1/99-12/31/99	(A)	\$ 5,000

**Legal Counsel**

Ashland County Prosecuting Attorney  
Robert DeSanto  
307 Orange Street  
Ashland, Ohio 44805

(A) Buckeye Union Insurance Company

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Jeromesville Community Fire District  
Ashland County

We have audited the accompanying financial statements of the Jeromesville Community Fire District, Ashland County, as of and for the years ended December 31, 1998 and 1999, as listed in the table of contents. These financial statements are the responsibility of the Jeromesville Community 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 Jeromesville Community 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 combined fund cash balances and reserves for encumbrances of the Jeromesville Community Fire District, Ashland County as of December 31, 1998 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting prescribed above.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 9, 2000, on our consideration of Jeromesville Community Fire District's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants.

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

*J. E. Slaybaugh & Associates, Inc.*

J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
June 9, 2000

JEROMESVILLE COMMUNITY FIRE DISTRICT  
 ASHLAND COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCE- SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Special Revenue</u>
<u>REVENUE RECEIPTS:</u>	
General Property Tax	\$ 94,352
Tangible Personal Property	8,586
Contracts	6,150
Other	<u>17,480</u>
 TOTAL REVENUE RECEIPTS	 126,568
<u>EXPENDITURE DISBURSEMENTS:</u>	
Salaries & Benefits	3,338
Insurance	7,920
Utilities	5,122
Maintenance	7,113
Tools & Equipment	20,722
Supplies	2,395
Notes	27,325
Interest	7,729
Miscellaneous	5,442
Building & Equipment	<u>3,543</u>
 TOTAL EXPENDITURE DISBURSEMENTS	 <u>90,649</u>
 Total Revenue Receipts Over(Under) Expenditure Disbursements	  <u>35,919</u>
 Fund Cash Balance, January 1, 1999	 29,384
Adjustment	<u>11</u>
Fund Cash Balance, December 31, 1999	<u>\$ 65,314</u>

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

JEROMESVILLE COMMUNITY FIRE DISTRICT  
 ASHLAND COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCE- SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Special Revenue</u>
<u>REVENUE RECEIPTS:</u>	
General Property Tax	\$ 94,055
Tangible Personal Property	6,759
Contracts	1,150
Other	<u>4,452</u>
TOTAL REVENUE RECEIPTS	106,416
 <u>EXPENDITURE DISBURSEMENTS:</u>	
Salaries & Benefits	3,148
Insurance	7,338
Utilities	4,014
Maintenance	4,802
Tools & Equipment	29,040
Supplies	8,199
Notes	9,108
Interest	3,528
Miscellaneous	14,055
Building & Equipment	<u>191,708</u>
TOTAL EXPENDITURE DISBURSEMENTS	<u>274,940</u>
Total Revenue Receipts Over(Under)	
Expenditure Disbursements	<u>(168,524)</u>
Other Financing Sources	
Loan	<u>163,951</u>
Total Fund Balance after Other Financing	<u>(4,573)</u>
Fund Cash Balance, January 1, 1998	<u>33,957</u>
Fund Cash Balance, December 31, 1998	<u>\$ 29,384</u>

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

JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1999

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF ENTITY**

The Jeromesville Community Fire District is a body politic and incorporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Jeromesville Community Fire District operates under the direction of a three-member appointed Board of Trustees, which are appointed by Perry Township, Mohican Township, and the Village of Jeromesville. The Jeromesville Community Fire District provides fire protection and emergency services to residents.

Management believes the financial statements included in this report represent all of the funds over which the Jeromesville Community Fire District has direct operating control.

**B. BASIS OF ACCOUNTING**

These financial statements follow 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. Consequently, revenues are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Ohio law requires the Jeromesville Community Fire District to maintain the encumbrance method of accounting and to make appropriations. These statements make adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. FUND ACCOUNTING**

The Jeromesville Community Fire District maintains its accounting records in accordance with the principles of "Fund accounting". Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds.

The Fire District classifies its funds into the following types:

**GOVERNMENTAL FUNDS**

**Special Revenue Funds**

To account for proceeds of specific revenue sources (other than expendable trusts, or major capital projects), that are legally restricted to disbursements for specified purposes.

**D. 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 fund, function or object level of control, and appropriations may not exceed estimated resources. The Jeromesville Community Fire District 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.

**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.

**Budgetary Activity**

Budgetary activity for the years ending December 31 was as follows:

1998 Budgeted vs Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Special Revenue	\$ 108,480	\$ 106,416	(\$ 2,064)

1998 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Special Revenue	\$ 301,976	\$ 274,940	\$ 27,036

1999 Budgeted vs Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Special Revenue	\$ 110,466	\$ 126,568	\$ 16,102

1999 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Special Revenue	\$ 136,265	\$ 90,649	\$ 45,616

**E. PROPERTY AND EQUIPMENT**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**F. UNPAID VACATION AND SICK LEAVE**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Fire District.

**G. EQUITY IN POOLED CASH**

The Fire District maintains a cash pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, was as follows:

	<u>1999</u>	<u>1998</u>
Demand Deposits	\$ 29,384	\$ 65,314

**H. PROPERTY TAX**

Real Property taxes become a lien on January 1 preceding 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 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 is due the following June.

**J. INSURANCE**

The Jeromesville Community Fire District carries the following insurance coverages.

- Property and general liability
- Public Officials Liability
- Vehicles and Inland Marine.

**K. DEBT**

During 1998, the Jeromesville Fire District obtained a loan from National City Bank to construct an addition to the Fire Department Building. The terms of the agreement are as follows:

Amount: \$ 233,000  
Interest Rate: 5.25 % Fixed or 75 % of prime rate  
Maturity: (9) years

On May 1, 1998, the Fire District borrowed \$ 163, 951.11 of the original note, payable in semi-annual installments of \$ 9, 108.40, maturing on May 15, 2007.

Payments 1998: \$ 9,108  
Payments 1999: \$ 27,324  
Balance Due: \$ 127,519

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

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*John E. Slaybaugh III  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees  
Jeromesville Community Fire District  
Ashland County

We have audited the financial statements of Jeromesville Community Fire District, Ashland County, as of and for the years ended December 31, 1998 and 1999, and have issued our report thereon dated June 9, 2000.

We conducted our audit in accordance with generally accepted auditing standards 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 Jeromesville Community 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 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

In planning and performing our audit, we considered Jeromesville Community 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.

This report is intended solely for the information of the 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.

*J. E. Slaybaugh & Associates, Inc.*

J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
June 9, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**JEROMESVILLE COMMUNITY FIRE DISTRICT**

**ASHLAND 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  
NOVEMBER 14, 2000**