

**C.B.S. JOINT FIRE DISTRICT
RICHLAND COUNTY**

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

J. E. Slaybaugh & Associates, Inc.

Certified Public Accountant

12 East Main Street

Lexington, Ohio 44904

**C.B.S. JOINT FIRE DISTRICT
RICHLAND COUNTY**

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J. E. Slaybaugh & Associates, Inc.
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12 East Main Street
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C. B. & S. JOINT FIRE DISTRICT
RICHLAND COUNTY

APPOINTED OFFICIALS
AS OF DECEMBER 31, 1999

NAME/TITLE	REPRESENTING	TERM OF OFFICE
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Chairman Thomas Kranz		
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	Cass Township	
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		1/1/99-12/31/99
--	--	-----------------

Trustees:

Jayne Boock		
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	Shiloh Village	
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		1/1/99-12/31/99
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Kenneth Beck		
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	Bloomington Township	
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		1/1/99-12/31/99
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Statutory Legal Counsel

Richland County Prosecuting Attorney
James J Mayer
38 South Park St
Mansfield, Ohio 44902

C. B. & S. JOINT FIRE DISTRICT
RICHLAND COUNTY

ADMINISTRATIVE PERSONNEL
AS OF DECEMBER 31, 1999

NAME/TITLE	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
Fire Chief David Seaman				
Clerk				
Doris Beck 5384 Rome South Rd Shiloh, Ohio 44878	Continous	(A)	\$10,000	1/1/96-1/1/00

(A) Ohio Governmnet Risk Management Plan

C. B. & S. JOINT FIRE DISTRICT
RICHLAND COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Board of Trustees
C. B. S. Joint Fire District
Richland County

We have reviewed the Independent Auditor's Report of the C. B. S. Joint Fire District, Richland County, prepared by J. E. Slaybaugh & Associates, Inc., 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 C. B. S. Joint Fire District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized flourish.

JIM PETRO
Auditor of State

April 10, 2000

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
C.B. & S. Joint Fire District
Richland County

We have audited the accompanying financial statements of the C.B. & S. Joint Fire District, Richland 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 C.B. & S. Joint 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 C.B. & S. Joint 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 C.B. & S. Joint Fire District, Richland 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 March 24, 2000, on our consideration of C.B. & S. Joint 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
March 24, 2000

C. B. & S. JOINT FIRE DISTRICT
 RICHLAND 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>	
Property Taxes	\$ 78,464
Intergovernmental	10,530
Interest	433
Charges for Services	<u>3,699</u>
TOTAL REVENUE RECEIPTS	93,126
<u>EXPENDITURE DISBURSEMENTS:</u>	
Salaries & Benefits	16,928
Taxes	1,014
Insurance	9,860
Utilities	3,998
Maintenance	15,248
Auditor's & Treasury Fees	621
Miscellaneous	4,606
Debt-Note Principal	<u>33,000</u>
TOTAL EXPENDITURE DISBURSEMENTS	<u>85,275</u>
Total Revenue Receipts Over(Under)	
Expenditure Disbursements	<u>7,851</u>
Fund Cash Balance, January 1, 1999	<u>12,820</u>
Fund Cash Balance, December 31, 1999	<u>\$ 20,671</u>

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

C. B. & S. JOINT FIRE DISTRICT
 RICHLAND 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>	
Property Taxes	\$ 57,209
Intergovernmental	7,324
Interest	690
Charges for Services	<u>6,539</u>
TOTAL REVENUE RECEIPTS	71,762
 <u>EXPENDITURE DISBURSEMENTS:</u>	
Salaries & Benefits	18,171
Taxes	484
Insurance	10,165
Utilities	4,065
Maintenance	14,994
Equipment	48,463
Auditor & Treasury Fees	3,367
Miscellaneous	<u>4,015</u>
TOTAL EXPENDITURE DISBURSEMENTS	<u>103,724</u>
Total Revenue Receipts Over(Under)	
Expenditure Disbursements	<u>(31,962)</u>
Fund Cash Balance, January 1, 1998	<u>44,782</u>
Fund Cash Balance, December 31, 1998	<u>\$ 12,820</u>
Reserve For Embruanes, December 31, 1998	<u>\$ 451</u>

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

C. B. & S. JOINT FIRE DISTRICT
RICHLAND COUNTY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF ENTITY

The C. B. & S. Joint 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 C. B. & S. Joint Fire District operates under a Trustee form of government. The C. B. & S. Joint Fire District provide emergency services to Cass Township, Shiloh Village, and Bloominggrove Township.

Management believes the financial statements included in this report represent all of the funds over which the C. B. & S. Joint 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 similar to the cash receipts and disbursements basis of accounting. 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 C. B. & S. Joint 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 C. B. & S. Joint 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 C. B. & S. Joint 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.

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 reappropriated.

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	\$ 105,711	\$ 71,762	\$ 33,949

1998 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Special Revenue	\$ 105,712	\$ 103,724	\$ 1,988

1999 Budgeted vs Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Special Revenue	\$ 99,320	\$ 93,126	\$ 6,194

1999 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Special Revenue	\$ 97,950	\$ 85,275	\$ 12,675

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	\$ 20,671	\$ 12,820

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.

I. EMPLOYEE RETIREMENT SYSTEM

The employees of the C. B. & S. Joint Fire District were covered by the Public Employees Retirement System of Ohio.

The State of Ohio accounts for the activities of the retirement system, and the amount of that fund is not reflected in the accompanying financial statements. As of December 31, 1998 and 1999, the employees contributed 8.5 percent of their gross wages. The C. B. & S. Joint Fire District matched this with a contribution equal to 13.55 percent of the employees' gross wages. The fire chief is covered by the Police and Firemen's Disability Pension Fund, also accounted for by the State

J. INSURANCE

The C. B. & S. Joint Fire District is a member of the Ohio Government Risk Management Plan, which provides members insurance coverage at group rates. The following risks are covered by the policy:

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

K. DEBT OBLIGATION

Debt outstanding at December 31, 1999, for purchase of a tanker consists of the following:

First National Bank of Shelby	\$ 8,294.91
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J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
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*John E. Slaybaugh III
Certified Public Accountant*

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
C.B. & S. Joint Fire District
Richland County

We have audited the financial statements of C.B. & S. Joint Fire District, Richland County, as of and for the years ended December 31, 1998 and 1999, and have issued our report thereon dated March 24, 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 C.B. & S. Joint 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 C.B. & S. Joint 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
March 24, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

C.B.S. JOINT FIRE DISTRICT

RICHLAND 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.

By: *Susan Babbitt*

Date: MAY 02 2000