



**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

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

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Blanchester-Marion Township Joint Fire District
Clinton County
P.O. Box 139
Blanchester, Ohio 45107

To the Board of Trustees:

We have audited the accompanying financial statements of Blanchester-Marion Township Joint Fire District, Clinton County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999. 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 audits 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 audits 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 audits 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 and reserves for encumbrances of the District, as of December 31, 2000 and 1999, 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 March 20, 2001 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 audits.

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 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 20, 2001

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND -
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General
Cash Receipts:	
Local Taxes	\$125,121
Intergovernmental	8,385
Earnings on Investments	3,472
Miscellaneous	7,055
Total Cash Receipts	144,033
Cash Disbursements:	
Current:	
General Government	75,567
Debt Service:	
Redemption of Principal	17,940
Interest	6,444
Capital Outlay	28,653
Total Disbursements	128,604
Total Receipts Over/(Under) Disbursements	15,429
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	15,429
Fund Cash Balances January 1	102,313
Fund Cash Balances, December 31	\$117,742
Reserves for Encumbrances, December 31	\$0

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

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND -
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General
Cash Receipts:	
Local Taxes	\$127,819
Intergovernmental	8,260
Earnings on Investments	3,224
Miscellaneous	5,985
Total Cash Receipts	145,288
Cash Disbursements:	
Current:	
General Government	66,963
Debt Service:	
Redemption of Principal	16,872
Interest	7,512
Capital Outlay	52,347
Total Disbursements	143,694
Total Receipts Over/(Under) Disbursements	1,594
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,594
Fund Cash Balances January 1	100,719
Fund Cash Balances, December 31	\$102,313
Reserves for Encumbrances, December 31	\$0

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

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Blanchester-Marion Township Joint Fire District, Clinton County, Ohio (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 two-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are the Village of Blanchester and Marion Township. The District provides fire protection and 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).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Deposits

The District maintained an interest bearing checking account and certificate of deposit. The certificate of deposit is valued at cost.

D. Fund Accounting

The District uses one fund to account for its cash and investments. The General Fund is the general operating fund used to account for all financial resources.

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. Unencumbered appropriations lapse at year end.

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2000 and 1999 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.

2. EQUITY IN POOLED CASH AND DEPOSITS

The carrying amount of cash and deposits at December 31 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 66,780	\$ 53,720
Certificates of deposit	<u>50,962</u>	<u>48,593</u>
Total deposits	<u>\$117,742</u>	<u>\$102,313</u>

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 155,203	\$ 144,033	\$ (11,170)
Total	<u>\$ 155,203</u>	<u>\$ 144,033</u>	<u>\$ (11,170)</u>

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 208,000	\$ 128,604	\$ 79,396
Total	<u>\$ 208,000</u>	<u>\$ 128,604</u>	<u>\$ 79,396</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 183,341	\$ 145,288	\$ (38,053)
Total	<u>\$ 183,341</u>	<u>\$ 145,288</u>	<u>\$ (38,053)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 270,000	\$ 143,694	\$ 126,306
Total	<u>\$ 270,000</u>	<u>\$ 143,694</u>	<u>\$ 126,306</u>

In 1999, appropriations exceeded estimated resources in the amount of \$32,351, contrary to Ohio law.

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.

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Lease	\$ 83,860	6%
Total	\$ 83,860	

The District obtained a lease to finance the purchase of a new fire truck. The lease was obtained in 1996 in the amount of \$169,964. The lease will be paid in annual installments of \$24,384.39, including interest, over 8 years. The District has an option to purchase the truck on the anniversary of the commencement each year of the lease. The truck serves as the collateral and can be repossessed in the event of default.

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

Year ending December 31:	Lease
2001	\$ 24,384
2002	24,384
2003	24,384
2004	24,384
Total	\$ 97,536

6. RETIREMENT SYSTEMS

The District's employees belong 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. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% in 1999 and 10.84% in 2000 of participants' gross salaries. The District has not paid all contributions required through December 31, 2000.

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

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

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

The District is uninsured for the following risks:

- Errors and omissions

8. RELATED PARTY TRANSACTIONS

A Board of Trustees member is part owner of a company from which the District acquired services to repair fire trucks during the years 1999 and 2000. The District paid \$6,916 for these services.

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OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Blanchester-Marion Township Joint Fire District
Clinton County
P.O. Box 139
Blanchester, Ohio 45107

To the Board of Trustees:

We have audited the accompanying financial statements of Blanchester-Marion Township Joint Fire District, Clinton County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 20, 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings as item 2000-30414-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 20, 2001.

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 March 20, 2001.

Blanchester-Marion Township Joint Fire District
Clinton County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of the management, 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 20, 2001

**BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT
CLINTON COUNTY**

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

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2000-30414-001

Appropriations Exceeding Estimated Resources

Ohio Rev. Code, Section 5705.39, states that the 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 of amended official estimate. Appropriations in the general fund in 1999 were \$270,000, while estimated resources were only \$237,648, which created a variance of \$32,352.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

BLANCHESTER-MARION TOWNSHIP JOINT FIRE DISTRICT

CLINTON 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 1, 2001**