



**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

**REGULAR AUDIT**

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



**JIM PETRO  
AUDITOR OF STATE**

**STATE OF OHIO**



**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT OF INDEPENDENT ACCOUNTANTS

Central Joint Fire District  
Wood County  
13179 Mermill Road  
Portage, Ohio 43451-9749

To the Board of Trustees:

We have audited the accompanying financial statements of Central Joint Fire District, Wood 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 provide 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, 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 April 5, 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 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 § 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

April 5, 2001

**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$58,923			\$58,923
Intergovernmental	8,325			8,325
Charges for Services	27,429			27,429
Earnings on Investments	5,374			5,374
Miscellaneous	1,660			1,660
	<u>101,711</u>			<u>101,711</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	34,341			34,341
General Government	23,739			23,739
Other	3,173			3,173
Debt Service:				
Redemption of Principal		\$8,000		8,000
Interest		1,497		1,497
Capital Outlay	124,203		\$408,000	532,203
	<u>185,456</u>	<u>9,497</u>	<u>408,000</u>	<u>602,953</u>
Total Disbursements	<u>185,456</u>	<u>9,497</u>	<u>408,000</u>	<u>602,953</u>
Total Disbursements Over Receipts	<u>(83,745)</u>	<u>(9,497)</u>	<u>(408,000)</u>	<u>(501,242)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Bonds			408,000	408,000
Transfers-In		9,497		9,497
Transfers-Out	(9,497)			(9,497)
Other Sources	130			130
	<u>(9,367)</u>	<u>9,497</u>	<u>408,000</u>	<u>408,130</u>
Total Other Financing Receipts/(Disbursements)	<u>(9,367)</u>	<u>9,497</u>	<u>408,000</u>	<u>408,130</u>
Excess of Cash Disbursements and Other Financing Disbursements Over Cash Receipts and Other Financing Receipts	(93,112)			(93,112)
Fund Cash Balances, January 1	219,336			219,336
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$126,224</u></u></b>			<b><u><u>\$126,224</u></u></b>

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

**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

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

	<u>General</u>
<b>Cash Receipts:</b>	
Local Taxes	\$61,984
Intergovernmental	8,523
Charges for Services	56,114
Earnings on Investments	5,167
Miscellaneous	<u>858</u>
Total Cash Receipts	<u>132,646</u>
<b>Cash Disbursements:</b>	
Current:	
Security of Persons and Property	22,311
General Government	19,062
Other	16,160
Capital Outlay	<u>26,164</u>
Total Disbursements	<u>83,697</u>
Total Receipts Over/(Under) Disbursements	<u>48,949</u>
<b>Other Financing Receipts:</b>	
Other Sources	<u>157</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	49,106
Cash Balances, January 1	<u>170,230</u>
<b>Cash Balances, December 31</b>	<u><u>\$219,336</u></u>

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



**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Central Joint Fire District, Wood 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 three-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are, Portage Township, Liberty Township and the Village of Portage. 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 Investments**

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**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 Funds**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The District had the following debt service fund:

*General Obligation Bond Retirement Fund-* This fund is used to record the debt activity for the new fire building that was constructed in 2000.

**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

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

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Fund:

*Building Construction Fund* - This fund received the proceeds of the debt issued to build this building and showed expenditures equal to the amount of debt issued during 2000.

**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 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. Appropriations lapse at year end.

**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 cancelled, and reappropriated in the subsequent year. For the fiscal years ending December 31, 2000 and 1999, the District did not encumber all commitments required by Ohio law.

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 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:

**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$81,106	\$176,358
Certificates of deposit	<u>45,118</u>	<u>42,978</u>
Total deposits	<u><u>\$126,224</u></u>	<u><u>\$219,336</u></u>

Deposits are insured by the Federal Depository Insurance Corporation.

At December 31, 2000 and 1999, \$26,224 and \$ 119,336, respectively, of deposits were not insured or collateralized, respectively, contrary to Chapter 135, Ohio Revised Code.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$75,452	\$101,841	\$26,389
Debt Service	9,497	9,497	
Capital Projects	<u>400,000</u>	<u>408,000</u>	<u>8,000</u>
Total	<u><u>\$484,949</u></u>	<u><u>\$519,338</u></u>	<u><u>\$34,389</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$270,503	\$194,953	\$75,550
Debt Service	9,497	9,497	
Capital Projects	<u>400,000</u>	<u>408,000</u>	<u>(8,000)</u>
Total	<u><u>\$680,000</u></u>	<u><u>\$612,450</u></u>	<u><u>\$67,550</u></u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$82,285</u>	<u>\$132,803</u>	<u>\$50,518</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$230,000</u>	<u>\$83,697</u>	<u>\$146,303</u>

**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

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

**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.

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.

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$400,000	5.25%

The District issued general obligation bonds to finance the purchase of a new fire hall. The bonds were issued on May 16, 2000 in the amount of \$408,000 and have maturities through September 1, 2015. The bonds are collateralized solely by the District's taxing authority.

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

Year ending December 31:	General Obligation Bonds
2001	\$37,293
2002	40,418
2003	39,411
2004	40,367
2005	40,237
Subsequent	390,127
Total	\$587,853

**6. RETIREMENT SYSTEMS**

The District's employees are all part-time. Employees belong to the Public Employees Retirement System (PERS) of Ohio, which 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.

**CENTRAL JOINT FIRE DISTRICT  
WOOD COUNTY**

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

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% for 1999 and 10.84% for 2000 of participants' gross salaries. The District has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

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

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JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

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

Central Joint Fire District  
Wood County  
13179 Mermill Road  
Portage, Ohio 43451-9749

To the Board of Trustees:

We have audited the financial statements of Central Joint Fire District (the District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 5, 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 Central 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-30187-001 and 2000-30187-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 5, 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 5, 2001.

Central Joint Fire District  
Wood 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

April 5, 2001



**CENTRAL JOINT FIRE DISTRICT  
WOOD 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 2000-30187-001**

**Noncompliance Citation**

Ohio Revised Code § 135.18 (A) requires the subdivision to have each financial institution designated as a public depository pledge and deposit eligible securities of aggregate market value, equal to the excess of the amount of public moneys deposited, over and above the amount at the time insured by the federal deposit insurance corporation.

The District's funds deposited with The Custar State Bank were under collateralized, per the month end reconciliation, twenty-three of the twenty-four months of the audit period. As of December 31, 2000 and 1999, the District was under collateralized by \$26,224 and \$119,336, respectively.

**FINDING NUMBER 2000-30187-002**

**Noncompliance Citation**

Ohio Revised Code § 5705.41(D) states no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. 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. Further, contracts and orders for expenditures lacking prior certifications are to be considered null and void.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate-If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrance, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. Amounts less than one thousand dollars, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Fifty-five percent of the vouchers tested during the audit period were not certified at the time the contract or order was made and Then and Now certificates were not issued.

When prior certification of funds is not possible, we recommend the District utilize Then and Now Certificates.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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

**CENTRAL JOINT FIRE DISTRICT**

**WOOD 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 10, 2001**