

**CLEAR CREEK FIRE DUSTRICT
ASHLAND COUNTY**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2000 AND 2001**

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
Columbus, Ohio 43215

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Board of Trustees
Clear Creek Fire District
Ashland County

We have reviewed the Independent Auditor's Report of the Clear Creek Fire District, Ashland County, prepared by J.E. Slaybaugh & Associates, Inc., for the audit period January 1, 2000 through December 31, 2001. 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 Clear Creek 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

July 25, 2002

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CLEAR CREEK FIRE DISTRICT
ASHLAND COUNTY

FOR THE YEAR ENDED DECEMBER 31, 2001 & 2000

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**CLEAR CREEK FIRE DISTRICT
ASHLAND COUNTY**

1193 Co. Road 620 RD # 5
Ashland, Ohio 44805

ELECTED OFFICIALS
AS OF DECEMBER 31, 2001

NAME	TITLE	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
Thomas Kruse	Trustee Chairman	1/1/01-12/31/01			
Timothy Calame	Trustee	1/1/01-12/31/01			
John Benschhoff	Trustee	1/1/01-12/31/01			
Elizabeth Dinsmore	Clerk	1/1/01-12/31/01	(A)	\$ 37,000	(B)

Statutory Legal Counsel

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

- (A) Ohio Farmers Insurance Company
(B) Concurrent With Term

J.E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCP*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Clear Creek Fire District
Ashland County

We have audited the accompanying financial statements of the Clear Creek Fire District, Ashland County, as of and for the years ended December 31, 2000 and 2001. These financial statements are the responsibility of the Clear Creek Fire District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

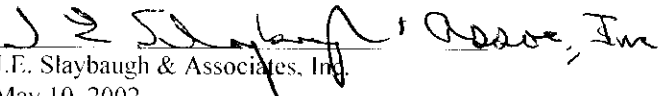
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan 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 Clear Creek 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 fund cash balance and reserves for encumbrances of the Clear Creek Fire District, Ashland County as of December 31, 2000 and 2001, 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 a report dated May 10, 2002, on our consideration of Clear Creek Fire District's internal control over financial reporting and our tests of 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 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.
May 10, 2002

CLEAR CREEK FIRE DISTRICT
 ASHLAND COUNTY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 IN FUND CASH BALANCE- SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001 & 2000

	Special Revenue	
	<u>12/31/01</u>	<u>12/31/00</u>
<u>CASH RECEIPTS</u>		
General Property Tax	\$ 70,552	\$ 72,876
Intergovernmental	8,828	1,364
Interest	2,220	1,671
Other	<u>299</u>	<u>555</u>
 TOTAL CASH RECEIPTS	 81,899	 76,466
 <u>CASH DISBURSEMENTS:</u>		
Security of Persons and Property	34,965	33,000
General Government		4,769
Capital Outlay		180,000
Debt Service	<u>37,316</u>	<u> </u>
 TOTAL PROGRAM DISBURSEMENTS	 <u>72,281</u>	 <u>217,769</u>
 Other Revenue Sources	 <u> -</u>	 <u>181,000</u>
 Total Receipts Over(Under) Program Disbursements	 <u> 9,618</u>	 <u> 39,697</u>
 Fund Cash Balance, January 1,	 <u> 43,790</u>	 <u> 4,093</u>
 Fund Cash Balance, December 31,	 <u>\$ 53,408</u>	 <u>\$ 43,790</u>

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

**CLEAR CREEK FIRE DISTRICT
ASHLAND COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Description of the Entity

Clear Creek Fire District, Ashland County, Clear Creek 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 provides fire protection services and EMS services. The Fire District contracts with Savannah Volunteer Fire Company for its fire protection services and EMS services.

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 (ie., when an encumbrance is approved.)

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

C. Fund Accounting

The Fire District uses fund accounting to segregate cash and investments that are restricted as to use. The Fire District classifies its funds into the following types:

Special Revenue Funds

The Fire District Fund - This fund receives general and tangible personal property tax for use in providing fire protection and EMS services.

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 Township 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 Expenditures

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.

A summary of 2000 and 2001 budgetary activity appears in Note 3.

E. Property, Plant 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.

2. Equity in Pooled Cash and Investments

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

	2001	2000
Demand Deposits	\$ 3,190	\$ 1,366
Investment in Star Ohio	<u>50,218</u>	<u>42,424</u>
Total deposits	<u>\$ 53,408</u>	<u>\$ 43,790</u>

Deposits

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Special Revenue	\$ <u>78,376</u>	\$ <u>257,466</u>	\$ <u>179,090</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Special Revenue	\$ <u>289,326</u>	\$ <u>217,769</u>	\$ <u>71,557</u>

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Special Revenue	\$ <u>92,790</u>	\$ <u>81,899</u>	\$ <u>10,891</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Special Funds	\$ <u>120,048</u>	\$ <u>72,281</u>	\$ <u>47,767</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Fire District 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. The second half is due the following June 20.

Public utilities are also taxed on personal property located within the Fire 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 Fire District.

5. DEBT

The Fire District obtained a loan from USDA to purchase fire equipment, used as security for the loan.

Amount of Loan	\$161,000
Interest Rate	5.125%
Term	5 Years
Annual Payments	\$ 37,315.53

Loan Amortization:

2002	\$	30,554
2003		32,119
2004		33,766
2005		35,496
	\$	<u>131,935</u>

J.E. Slaybaugh & Associates, Inc.

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*John E. Slaybaugh 111
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Clear Creek Fire District
Ashland County

We have audited the financial statements of Clear Creek Fire District, Ashland County, as of and for the year ended December 31, 2000, and 2001, and have issued our report thereon dated May 10, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

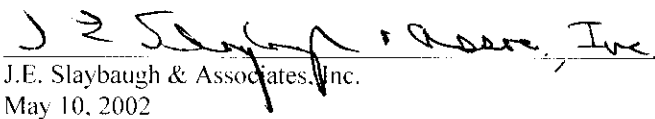
Compliance

As part of obtaining reasonable assurance about whether Clear Creek 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 Over Financial Reporting

In planning and performing our audit, we considered Clear Creek 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 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.


J.E. Slaybaugh & Associates, Inc.
May 10, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLEAR CREEK 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
AUGUST 15, 2002**