



**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009-2008



Mary Taylor, CPA
Auditor of State

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

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Mary Taylor, CPA
Auditor of State

Central Ohio Joint Fire District
Knox County
P. O. Box 727
Centerburg, Ohio 43011

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your District to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 16, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Central Ohio Joint Fire District
Knox County
P.O. Box 727
Centerburg, Ohio 43011

To the Board of Trustees:

We have audited the accompanying financial statements of Central Ohio Joint Fire District, Knox County, Ohio, (the District) as of and for the years ended December 31, 2009 and 2008. 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The District processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the District because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Central Ohio Joint Fire District, Knox County, as of December 31, 2009 and 2008, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

March 16, 2010

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Debt Service</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$613,060.87	\$27,668.76	\$640,729.63
Charges for Services	73,000.00	0.00	73,000.00
Licenses, Permits, and Fees	277.00	0.00	277.00
Intergovernmental	119,323.78	0.00	119,323.78
Earnings on Investments	1,139.24	0.00	1,139.24
Miscellaneous	5,425.18	0.00	5,425.18
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	812,226.07	27,668.76	839,894.83
Cash Disbursements:			
Current:			
Public Safety	771,597.12	0.00	771,597.12
Capital Outlay	352,673.81	0.00	352,673.81
Debt Service:			
Redemption of Principal	0.00	24,246.05	24,246.05
Interest and Other Fiscal Charges	0.00	3,422.71	3,422.71
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	1,124,270.93	27,668.76	1,151,939.69
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(312,044.86)	0.00	(312,044.86)
Other Financing Receipts:			
Sale of Bonds	279,524.00	0.00	279,524.00
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(32,520.86)	0.00	(32,520.86)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	400,722.52	27.58	400,750.10
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$368,201.66</u>	<u>\$27.58</u>	<u>\$368,229.24</u>

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

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Debt Service</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$616,730.01	\$27,668.76	\$644,398.77
Charges for Services	73,000.00	0.00	73,000.00
Licenses, Permits, and Fees	285.00	0.00	285.00
Intergovernmental	105,248.71	0.00	105,248.71
Earnings on Investments	9,496.06	0.00	9,496.06
Miscellaneous	13,617.29	0.00	13,617.29
	<u>818,377.07</u>	<u>27,668.76</u>	<u>846,045.83</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Public Safety	735,357.31	0.00	735,357.31
Capital Outlay	35,000.00	0.00	35,000.00
Debt Service:			
Redemption of Principal	0.00	23,190.25	23,190.25
Interest and Other Fiscal Charges	0.00	4,478.51	4,478.51
	<u>770,357.31</u>	<u>27,668.76</u>	<u>798,026.07</u>
Total Cash Disbursements			
	<u>770,357.31</u>	<u>27,668.76</u>	<u>798,026.07</u>
Total Receipts Over Disbursements	<u>48,019.76</u>	<u>0.00</u>	<u>48,019.76</u>
Other Financing Receipts:			
Other Financing Sources	1,050.00	0.00	1,050.00
	<u>1,050.00</u>	<u>0.00</u>	<u>1,050.00</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	<u>49,069.76</u>	<u>0.00</u>	<u>49,069.76</u>
Fund Cash Balances, January 1	<u>351,652.76</u>	<u>27.58</u>	<u>351,680.34</u>
Fund Cash Balances, December 31	<u>\$400,722.52</u>	<u>\$27.58</u>	<u>\$400,750.10</u>

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

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Central Ohio Joint Fire District, Knox County, (the District) as a body corporate and politic. A five-member Board of Trustees governs the District. One board member is appointed by each political subdivision within the District, and the final board member is selected at-large. Those subdivisions are Hilliar Township, Liberty Township, Milford Township, and the Village of Centerburg. 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. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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 reports all financial resources except those required to be accounted for in another fund.

2. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of debt.

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (continued)

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. 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 individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

The District maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2009	2008
Demand deposits	\$27,735	\$46,238
STAR Ohio	340,494	354,512
Total deposits and investments	<u>\$368,229</u>	<u>\$400,750</u>

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Equity in Pooled Deposits and Investments (continued)

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,060,681	\$1,091,750	\$31,069
Debt Service	27,669	27,669	0
Total	\$1,088,350	\$1,119,419	\$31,069

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,253,967	\$1,124,271	\$129,696
Debt Service	27,669	27,669	0
Total	\$1,281,636	\$1,151,940	\$129,696

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$769,452	\$819,427	\$49,975
Debt Service	27,669	27,669	0
Total	\$797,121	\$847,096	\$49,975

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,111,608	\$770,357	\$341,251
Debt Service	27,696	27,669	27
Total	\$1,139,304	\$798,026	\$341,278

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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 Township.

5. Debt

Debt outstanding at December 31, 2009 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ambulance Lease Purchase	\$51,814	4.50%
Fire Truck Bonds	279,524	4.50%
Total	<u>\$331,338</u>	

The District issued bonds to finance the purchase of a new engine. The District's taxing authority collateralized the bonds. The bonds were issued on March 10, 2009 in the amount of \$279,524 and matures in April 2019. The District entered into a lease purchase agreement to finance the purchase of a new ambulance. The lease agreement was entered into in May of 2006 in the amount of \$121,454, and matures in May 2011. The lease is collateralized by the ambulance.

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

Year ending December 31:	Ambulance	Fire Truck
	Lease <u>Purchase</u>	Bonds <u></u>
2010	\$27,669	\$35,422
2011	27,669	35,422
2012		35,422
2013		35,422
2014		35,422
2015 - 2020		177,110
Total	<u>\$55,338</u>	<u>\$354,220</u>

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. Retirement Systems

The District's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS) or pay into social security. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OP&F participants contributed 10% of their wages. For 2009 and 2008, the District contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2009 and 2008, OPERS members contributed 10.10% of their gross salaries and the District contributed an amount equaling 17.63% and 17.4%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

7. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

8. Fire Station Building Maintenance Agreement

On January 23, 2007, the District agreed to pay Hilliar Township \$70,000 of the balance owned on the Township's fire station bond issue over the next three years. At December 31, 2007, \$50,000 was remaining on the agreement. Hilliar Township leases the fire station to the Fire District for \$1 a year. The District's payments to the Township are to be made from the District's General Fire Levy and are considered payments for maintenance of the building used to maintain fire apparatus, appliances, etc. At December 31, 2009, the total amount was paid.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Central Ohio Joint Fire District
Knox County
P.O. Box 727
Centerburg, Ohio 43011

To the Board of Trustees:

We have audited the financial statements of Central Ohio Joint Fire District, Knox County, Ohio, (the District) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 16, 2010, wherein we noted the District followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the District uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the District. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the management and the Board of Trustees and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

March 16, 2010

**CENTRAL OHIO JOINT FIRE DISTRICT
KNOX COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 and 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Financial Statement Presentation	Corrected	



Mary Taylor, CPA
Auditor of State

CENTRAL OHIO JOINT FIRE DISTRICT

KNOX 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 6, 2010**