



**CENTRAL TOWNSHIP FIRE DEPARTMENT
MADISON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CENTRAL TOWNSHIP FIRE DEPARTMENT
MADISON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Central Township Fire Department
Madison County
8695 State Route 56 SE
Mt. Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of Central Township Fire Department, Madison County, Ohio, (the Fire Department) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Fire Department'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 Fire Department 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 cash balances of the Fire Department, as of December 31, 1999 and December 31, 1998, 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 our report dated May 12, 2000 on our consideration of the Fire Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

May 12, 2000

**CENTRAL TOWNSHIP FIRE DEPARTMENT
MADISON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1999**

Cash Receipts:	
Intergovernmental	\$3,285
Charges for Services	121,116
Earnings on Investments	9,820
Other Revenue	<u>504</u>
 Total Cash Receipts	 <u>134,725</u>
 Cash Disbursements:	
Current:	
Salaries & Volunteers	13,095
Maintenance & Supplies	12,587
Fire Equipment	25,390
Fuel/Utilities Expenditures	9,198
All Other Disbursements	<u>16,442</u>
 Total Cash Disbursements	 <u>76,712</u>
 Total Receipts Over/(Under) Disbursements	 58,013
 Cash Balance, January 1	 <u>194,713</u>
 Cash Balance, December 31	 <u><u>\$252,726</u></u>

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

**CENTRAL TOWNSHIP FIRE DEPARTMENT
MADISON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1998**

Cash Receipts:	
Charges for Services	\$119,026
Earnings on Investments	8,918
Other Revenue	<u>5,476</u>
 Total Cash Receipts	 <u>133,420</u>
Cash Disbursements:	
Current:	
Salaries & Volunteers	11,129
Maintenance & Supplies	21,582
Fire Equipment	15,484
Fuel/Utilities Expenditures	8,785
All Other Disbursements	<u>14,925</u>
 Total Cash Disbursements	 <u>71,905</u>
 Total Receipts Over/(Under) Disbursements	 61,515
 Cash Balance, January 1	 <u>133,198</u>
 Cash Balance, December 31	 <u><u>\$194,713</u></u>

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

**CENTRAL TOWNSHIP'S FIRE DEPARTMENT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Central Township Fire Department, Madison County, Ohio, (the Fire Department) 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 Department is directed by an appointed twelve member Board of Trustees consisting of the elected Trustees from each participating township. The participating townships include Deercreek, Union, Oak Run, and Paint Townships. The Fire Department provides fire protection and rescue services within the member townships and by contract to areas outside the member townships.

The Fire Department's management believes these financial statements present all activities for which the Fire Department 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 the sale are recorded as receipts or disbursements, respectively.

D. 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.

E. Budgetary

The Fire Department Trustees adopt an annual appropriation resolution which dictates the Fire Department's spending limitations.

**CENTRAL TOWNSHIP'S FIRE DEPARTMENT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN CASH AND INVESTMENTS

The Fire Department maintains cash and investments in a local depository . The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$151,661	\$92,354
Certificates of deposit	<u>101,065</u>	<u>102,359</u>
Total deposits and investments	<u><u>252,726</u></u>	<u><u>\$194,713</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Fire Department.

3. RISK MANAGEMENT

The Fire Department has obtained commercial insurance for the following risks:

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



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

Central Township Fire Department
Madison County
8695 State Route 56 SE
Mt. Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of Central Township Fire Department, Madison County, Ohio (the Fire Department), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 12, 2000. 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 Fire Department'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 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 the Fire Department'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 Fire Department in a separate letter dated May 12, 2000.

Central Township Fire Department
Madison 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 and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

May 12, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CENTRAL TOWNSHIP FIRE DEPARTMENT

MARDISON 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
JUNE 6, 2000**