



**WINCHESTER COMMUNITY FIRE DISTRICT
ADAMS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WINCHESTER COMMUNITY FIRE DISTRICT
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REPORT OF INDEPENDENT ACCOUNTANTS

Winchester Community Fire District
Adams County
P.O. Box 1
Winchester, OH 45697

To the Board of Trustees:

We have audited the accompanying financial statements of Winchester Community Fire District, Adams County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998. 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 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 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, 1999 and 1998, 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 May 23, 2000 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.

This report is intended solely for the information and use of management, the Board 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.

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

Jim Petro
Auditor of State

May 23, 2000

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**WINCHESTER COMMUNITY FIRE DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Local taxes	\$24,123	\$0	\$24,123
Intergovernmental Receipts	2,519	0	2,519
Charges for Services	21,472	0	21,472
Interest	251	0	251
Miscellaneous	1,450	0	1,450
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	49,815	0	49,815
Cash Disbursements:			
Current:			
Public Safety	30,107	0	30,107
General Government	4,081	0	4,081
Debt Service:			
Redemption of principal	0	16,767	16,767
Interest	0	1,071	1,071
	<hr/>	<hr/>	<hr/>
Total Disbursements	34,188	17,838	52,026
Total Receipts Over/(Under) Disbursements	15,627	(17,838)	(2,211)
Other Financing Receipts/(Disbursements):			
Transfers-In	0	10,337	10,337
Transfers-Out	(10,337)	0	(10,337)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(10,337)	10,337	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	5,290	(7,501)	(2,211)
Fund Cash Balances, January 1	23,078	7,501	30,579
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$28,368</u>	<u>\$0</u>	<u>\$28,368</u>

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

**WINCHESTER COMMUNITY FIRE DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>General</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Local taxes	\$13,150	\$7,501	\$20,651
Intergovernmental Receipts	2,521	0	2,521
Charges for Services	20,251	0	20,251
Interest	402	0	402
Miscellaneous	3,207	0	3,207
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	39,531	7,501	47,032
Cash Disbursements:			
Current:			
Public Safety	23,246	0	23,246
General Government	5,026	0	5,026
Debt Service:			
Redemption of principal	0	9,896	9,896
Interest	0	1,704	1,704
	<hr/>	<hr/>	<hr/>
Total Disbursements	28,272	11,600	39,872
Total Receipts Over/(Under) Disbursements	11,259	(4,099)	7,160
Other Financing Receipts/(Disbursements):			
Transfers-In	0	4,099	4,099
Transfers-Out	(4,099)	0	(4,099)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(4,099)	4,099	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,160	0	7,160
Fund Cash Balances, January 1	15,918	7,501	23,419
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$23,078</u>	<u>\$7,501</u>	<u>\$30,579</u>

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

**WINCHESTER COMMUNITY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Winchester Community Fire District, Adams 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 three-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are, the Village of Winchester, Winchester Township, and the volunteer fire department. The District provides fire protection to the Village of Winchester and Winchester Township, and contracts their services to provide fire protection for Jackson and Eagle Townships in Brown County.

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 Deposits

The District maintains all funds in an interest-bearing checking account.

D. Fund Accounting

The District uses fund accounting to segregate cash that is 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 Fund

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. Currently, the Debt Service Fund is being used to finance the capital lease obligation entered into by the District for the purchase of a new pumper truck in 1996.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

**WINCHESTER COMMUNITY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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.

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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. As of December 31, 1999 and 1998 there were no material encumbrances.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. 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

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$28,368</u>	<u>\$30,579</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,000	\$49,815	\$11,815
Debt Service	<u>10,337</u>	<u>10,337</u>	<u>0</u>
Total	<u>\$48,337</u>	<u>\$60,152</u>	<u>\$11,815</u>

**WINCHESTER COMMUNITY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$34,360	\$46,015	(\$11,655)
Debt Service	17,838	17,838	0
Total	\$52,198	\$63,853	(\$11,655)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$21,400	\$39,531	\$18,131
Debt Service	11,600	11,600	0
Total	\$33,000	\$51,131	\$18,131

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$27,530	\$33,861	(\$ 6,331)
Debt Service	11,600	29,438	(\$17,838)
Total	\$39,130	\$63,299	(\$24,169)

During 1998, disbursements exceeded appropriations in the Debt Service Fund as well as in the General Fund. During 1999, disbursements exceeded appropriations in the General Fund.

During 1999, appropriations exceeded total certified resources in the Debt Service Fund by \$17,838.

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.

**WINCHESTER COMMUNITY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. RETIREMENT SYSTEMS

The District's officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement 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 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- General liability
- Vehicles
- Inland Marine
- Errors and omissions



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

Winchester Community Fire District
Adams County
P.O. Box 1
Winchester, OH 45697

To the Board of Trustees:

We have audited the accompanying financial statements of Winchester Community Fire District, Adams County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 23, 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 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 instances of noncompliance which are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 1999-30401-001 and 1999-30401-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated May 23, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 May 23, 2000.

Winchester Community Fire District
Adams County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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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.

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 23, 2000

**WINCHESTER COMMUNITY FIRE DISTRICT
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-30401-001

Ohio Rev. Code, Section 5705.41(B), prohibits expenditures unless properly appropriated. The District had expenditures in excess of appropriations as follows:

<u>Year</u>	<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
1998	General	\$27,530	\$33,861	\$ 6,331
1998	Debt Service	\$11,600	\$29,438	\$17,838
1999	General	\$34,360	\$46,016	\$11,655

This could result in overspending the fund balance.

FINDING NUMBER 1999-30401-002

Ohio Rev. Code, Section 5705.39, prohibits appropriations in excess of estimated revenue. The District had appropriations in excess of estimated revenues as follows:

<u>Year</u>	<u>Fund</u>	<u>Estimated Revenue</u>	<u>Appropriations</u>	<u>Variance</u>
1999	Debt Service	\$0	\$17,838	\$17,838

This could result in overspending the fund balance.



STATE OF OHIO
OFFICE OF THE AUDITOR

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WINCHESTER COMMUNITY FIRE DISTRICT

ADAMS 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
JULY 18, 2000**