



**CUMBERLAND TRAIL FIRE DISTRICT
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CUMBERLAND TRAIL FIRE DISTRICT
BELMONT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2000	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – All Governmental Fund Types For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701

Telephone 740-594-3300
800-441-1389

Facsimile 740-594-2110
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Cumberland Trail Fire District
Belmont County
P.O. Box 505
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the accompanying financial statements of the Cumberland Trail Fire District, Belmont County, Ohio (the Fire District), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the 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 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 combined fund cash balances of the Cumberland Trail Fire District, Belmont County, 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 July 26, 2001, on our consideration of the Fire 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 the audit committee, 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

July 26, 2001

This page intentionally left blank.

**CUMBERLAND TRAIL FIRE DISTRICT
BELMONT 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Capital Projects	
Cash Receipts:			
Taxes	\$884,647	\$	\$884,647
Intergovernmental	90,913		90,913
Charges for Services	112,735		112,735
Earnings on Investments	53,084		53,084
Other Revenue	8,590		8,590
	1,149,969	0	1,149,969
Cash Disbursements:			
Current:			
Public Safety	903,275		903,275
Capital Outlay	1,000	451,696	452,696
	904,275	451,696	1,355,971
Total Cash Disbursements	904,275	451,696	1,355,971
Total Cash Receipts Over/(Under) Cash Disbursements	245,694	(451,696)	(206,002)
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes		250,000	250,000
Transfers-In		250,000	250,000
Transfers-Out	(250,000)		(250,000)
	(250,000)	500,000	250,000
Total Other Financing Receipts and Disbursements	(250,000)	500,000	250,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,306)	48,304	43,998
Fund Cash Balances, January 1	910,822	0	910,822
Fund Cash Balances, December 31	\$906,516	\$48,304	\$954,820

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

CUMBERLAND TRAIL FIRE DISTRICT
BELMONT COUNTY

STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Type</u>
	<u>General</u>
Cash Receipts:	
Taxes	\$874,755
Intergovernmental	86,555
Charges for Services	96,354
Earnings on Investments	41,321
Other Revenue	<u>13,431</u>
Total Cash Receipts	<u>1,112,416</u>
Cash Disbursements:	
Current:	
Public Safety	861,035
Capital Outlay	<u>222,790</u>
Total Cash Disbursements	<u>1,083,825</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>28,591</u>
Fund Cash Balance, January 1	<u>882,231</u>
Fund Cash Balance, December 31	<u><u>\$910,822</u></u>

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

**CUMBERLAND TRAIL FIRE DISTRICT
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Cumberland Trail Fire District, Belmont County (the 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 is directed by an appointed four-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are Richland Township and the City of St. Clairsville. The other two Board members are appointed by the existing Fire District Board. The Fire District provides fire protection and rescue services within the Fire District and by contract to areas outside the Fire District.

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.

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. The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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

D. 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:

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. 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 Fire District had the following significant Capital Projects Fund:

**CUMBERLAND TRAIL FIRE DISTRICT
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Capital Project Funds (Continued)

Building Construction Fund - This fund received the proceeds of a general obligation note and a transfer from the General Fund which was used for the construction of a new fire station.

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 Fire 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 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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Fire District.

**CUMBERLAND TRAIL FIRE DISTRICT
BELMONT COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Fire 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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$104,757	\$22,767
Certificates of deposit	388,046	409,358
Total deposits	492,803	432,125
STAROhio	462,017	478,697
Total deposits and investments	\$954,820	\$910,822

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

At December 31, 2000, \$45,049 of deposits were not insured or collateralized, contrary to Chapter 135, Ohio Revised Code.

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,025,000	\$1,149,969	\$124,969
Capital Projects	500,000	500,000	0
Total	\$1,525,000	\$1,649,969	\$124,969

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,155,000	\$1,154,275	\$725
Capital Projects	500,000	451,696	48,304
Total	\$1,655,000	\$1,605,971	\$49,029

**CUMBERLAND TRAIL FIRE DISTRICT
BELMONT COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$969,000	\$1,112,416	\$143,416

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,351,000	\$1,083,825	\$267,175

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 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

Debt outstanding at December 31, 2000, was as follows:

	Principal	Interest Rate
General Obligation Note	\$250,000	5.5%

The Fire District issued a general obligation note to finance the construction of a new fire station. The note was issued on April 20, 2000, in the amount of \$250,000 and has a maturity of April 20, 2009. The note is collateralized solely by the Fire District's taxing authority.

**CUMBERLAND TRAIL FIRE DISTRICT
BELMONT COUNTY**

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

5. DEBT (Continued)

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

Year ending December 31:	General Obligation Note
2001	\$35,957
2002	35,957
2003	35,957
2004	35,957
2005	35,957
2006 to 2009	<u>143,828</u>
Total	<u><u>\$323,613</u></u>

6. RETIREMENT SYSTEMS

The Fire District's full-time fire fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement 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 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Fire District contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Fire District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Fire District has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

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

- Comprehensive property and general liability
- Public officials' liability
- Vehicles
- Errors and omissions

The Fire District also provides health insurance coverage to full-time employees through a private carrier.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701

Telephone 740-594-3300
800-441-1389

Facsimile 740-594-2110
www.auditor.state.oh.us

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

Cumberland Trail Fire District
Belmont County
P.O. Box 505
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the accompanying financial statements of the Cumberland Trail Fire District, Belmont County, Ohio (the Fire District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 26, 2001. 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 the 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Fire District in a separate letter dated July 26, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

Cumberland Trail Fire District
Belmont 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 the audit committee, 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

July 26, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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

CUMBERLAND TRAIL FIRE DISTRICT

BELMONT 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 30, 2001**