



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2001 .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2000 .....	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
Schedule of Prior Audit Findings.....	13

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS**

Battle Run Joint Fire District  
Marion County  
209 Battle Street  
PO Box 241  
Prospect, Ohio 43342

To the Board of Trustees:

We have audited the accompanying financial statements of the Battle Run Joint Fire District, Marion County, Ohio, (the District) as of and for the years ended December 31, 2001, and December 31, 2000. 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 *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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the District, as of December 31, 2001, and December 31, 2000, 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 June 26, 2002 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. 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.

Battle Run Joint Fire District  
Marion County  
Report of Independent Accountants  
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**JIM PETRO**  
Auditor of State

June 26, 2002

**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>General</b>	<b>Debt Service</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Local Taxes	\$ 136,226	\$ -	\$ 136,226
Intergovernmental	30,638	-	30,638
Interest	3,685	1,271	4,956
Miscellaneous	5,755	-	5,755
 Total Cash Receipts	 176,304	 1,271	 177,575
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	17,294	-	17,294
General Government	43,865	-	43,865
Miscellaneous	455	-	455
Debt Service:			
Redemption of Principal	26,274	13,000	39,274
Interest	11,663	780	12,443
Capital Outlay	18,523	-	18,523
 Total Cash Disbursements	 118,074	 13,780	 131,854
 Total Cash Receipts Over/(Under) Cash Disbursements	 58,230	 (12,509)	 45,721
 Fund Cash Balances, January 1	 68,926	 37,810	 106,736
 <b>Fund Cash Balances, December 31</b>	 <b>\$ 127,156</b>	 <b>\$ 25,301</b>	 <b>\$ 152,457</b>

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

**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Local Taxes	\$ 103,666	\$ -	\$ 103,666
Intergovernmental	12,671	-	12,671
Interest	4,178	1,874	6,052
Miscellaneous	13,763	-	13,763
	<u>134,278</u>	<u>1,874</u>	<u>136,152</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	16,695	-	16,695
General Government	34,941	-	34,941
Miscellaneous	649	-	649
Debt Service:			
Redemption of Principal	-	13,000	13,000
Interest	-	1,560	1,560
Capital Outlay	30,711	-	30,711
	<u>82,996</u>	<u>14,560</u>	<u>97,556</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under) Cash Disbursements	51,282	(12,686)	38,596
Fund Cash Balances, January 1	17,644	50,496	68,140
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 68,926</b></u>	<u><b>\$ 37,810</b></u>	<u><b>\$ 106,736</b></u>

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



**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Battle Run Joint Fire District, Marion County, (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 two-member Board of Trustees. One board member is appointed by each political subdivision within the District. Those subdivisions are Prospect Township and the Village of Prospect. The District provides fire protection and rescue services within the District.

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 and Investments**

Investments are included in fund cash balances. 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 sale are recorded as receipts or disbursements respectively.

The investments in STAR Ohio are recorded at share values reported by the State Treasurer.

**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 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**

This fund is used to accumulate resources for the payment of bonds. The District had the following debt service fund:

Bond Retirement Fund – This fund is used to accumulate resources for the payment of the District's general obligation bonds which were used to finance fire station construction and site improvements. The District made the final payment on the outstanding bond issue in 2001.

**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(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.

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

A summary of 2001 and 2000 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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The 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:

	2001	2000
Demand deposits	9,524	17,784
Total deposits	9,524	17,784
STAR Ohio	142,933	88,952
Total investments	142,933	88,952
Total deposits and investments	\$152,457	\$106,736

**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH 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 ended December 31, 2001 and December 31, 2000 follows:

**2001 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$176,053	\$176,304	\$251
Debt Service	900	1,271	371
Total	<u>\$176,953</u>	<u>\$177,575</u>	<u>\$622</u>

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$147,115	\$118,074	\$29,041
Debt Service	15,500	13,780	1,720
Total	<u>\$162,615</u>	<u>\$131,854</u>	<u>\$30,761</u>

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$118,852	\$134,278	\$15,426
Debt Service	0	1,874	1,874
Total	<u>\$118,852</u>	<u>\$136,152</u>	<u>\$17,300</u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$136,671	\$82,996	\$53,675
Debt Service	25,600	14,560	11,040
Total	<u>\$162,271</u>	<u>\$97,556</u>	<u>\$64,715</u>

**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**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.

**5. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Lease and Purchase Option	188,521	5.67%

The District entered into the lease and purchase option agreement to finance the purchase of a new fire tanker truck.

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

	Lease
Year ending December 31:	
2002	37,937
2003	37,937
2004	37,937
2005	37,937
2006 – 2010	75,872
Total	\$227,620

**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**6. RETIREMENT SYSTEM AND SOCIAL SECURITY**

District employees belong to either the Public Employees Retirement System (PERS) of Ohio or Social Security. PERS is a cost-sharing, multiple employer plan. PERS provides 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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. Social Security members contributed 6.2% of their gross salaries. The District has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Comprehensive property
- Commercial General Liability
- Commercial Crime
- Vehicles
- Portable Equipment; and
- Management Liability

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

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

Battle Run Joint Fire District  
Marion County  
209 Battle Street  
PO Box 241  
Prospect, Ohio 43342

To the Board of Trustees:

We have audited the accompanying financial statements of Battle Run Joint Fire District, Marion County, Ohio (the District), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated June 26, 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 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 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 a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated June 26, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 June 26, 2002.

Battle Run Joint Fire District  
Marion County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended solely 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". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

**JIM PETRO**  
Auditor of State

June 26, 2002



**BATTLE RUN JOINT FIRE DISTRICT  
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?
1999-30651-001	Ohio Rev. Code Section 5705.41(B) Expenditures exceeded appropriations in the general fund in 1998	Yes





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

**BATTLE RUN FIRE DISTRICT**

**MARION 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 30, 2002**