

**JEROMESVILLE COMMUNITY FIRE DISTRICT
ASHLAND COUNTY**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2001 AND 2000**

J. E. Slaybaugh & Associates, Inc.

Certified Public Accountant

12 East Main Street

Lexington, Ohio 44904



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

Board of Trustees
Jeromesville Community Fire District
Jeromesville, Ohio

We have reviewed the Independent Auditor's Report of the Jeromesville Community Fire District, Ashland County, prepared by J.E. Slaybaugh & Associates, Inc., for the audit period January 1, 2000 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Jeromesville Community Fire District is responsible for compliance with these laws and regulations.

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

JIM PETRO
Auditor of State

May 31, 2002

This Page is Intentionally Left Blank.

JEROMESVILLE COMMUNITY FIRE DISTRICT
ASHLAND COUNTY

TABLE OF CONTENTS

At December 31, 2000 and 2001

	<u>Page</u>
Appointed Officials	
Independent Auditor's Report	1
<u>Financial Statement</u>	
Statement of Receipts, Disbursements and Changes in Fund Balance- Special Revenue Funds For The Year Ended December 31, 2001 & 2000	2
Notes to Financial Statements	3-5
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	6

JEROMESVILLE COMMUNITY FIRE DISTRICT
ASHLAND COUNTY
APPOINTED OFFICIALS

<u>NAME</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>
<u>Trustees:</u>			
Ray Raudebaugh Chairman	1/1/01-12/31/01		
Harod Landman Vice-Chairman	1/1/01-12/31/01		
Norm Hileman	1/1/01-12/31/01		
Ruth Ann Paullin Clerk	1/1/01-12/31/01	(A)	\$ 5,000

Legal Counsel

Ashland County Prosecuting Attorney
Robert DeSanto
307 Orange Street
Ashland, Ohio 44805

(A) Buckeye Union Insurance Company

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Jeromesville Community Fire District
Ashland County

We have audited the accompanying financial statements of the Jeromesville Community Fire District, Ashland County, as of and for the years ended December 31, 2000 and 2001. These financial statements are the responsibility of the Jeromesville Community 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 Jeromesville Community 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 fund cash balance and reserves for encumbrances of the Jeromesville Community Fire District, Ashland County as of December 31, 2000 and 2001, 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 a report dated April 12, 2002, on our consideration of Jeromesville Community Fire District's internal control over financial reporting and our tests of 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 audits.

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

J.E. Slaybaugh & Associates, Inc.
J.E. Slaybaugh & Associates, Inc.
April 12, 2002

JEROMESVILLE COMMUNITY FIRE DISTRICT
 ASHLAND COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
 IN FUND BALANCE- SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001 & 2000

	Special Revenue	
	12/31/01	12/31/00
<u>REVENUE RECEIPTS:</u>		
General Property Tax	\$ 98,587	\$ 95,988
Tangible Personal Property	11,439	10,040
Contracts	2,400	3,650
Other	13,891	4,964
 TOTAL REVENUE RECEIPTS	 126,317	 114,642
<u>EXPENDITURE DISBURSEMENTS:</u>		
Salaries & Benefits	3,970	3,440
Insurance	13,558	9,267
Utilities	6,511	6,381
Maintenance	5,578	5,087
Tools & Equipment	9,696	8,515
Supplies	4,815	3,757
Contracts		1,158
Notes	47,968	42,080
Interest	5,566	8,985
Miscellaneous	9,290	12,472
Building & Equipment	55,838	
 TOTAL EXPENDITURE DISBURSEMENTS	 162,790	 101,142
Total Revenue Receipts Over(Under)		
Expenditure Disbursements	(36,473)	13,500
Fund Cash Balance, January 1,	78,814	65,314
Fund Cash Balance, December 31,	\$ 42,341	\$ 78,814

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

JEROMESVILLE COMMUNITY FIRE DISTRICT
ASHLAND COUNTY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF ENTITY

The Jeromesville Community Fire District is a body politic and incorporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Jeromesville Community Fire District operates under the direction of a three-member appointed Board of Trustees, which are appointed by Perry Township, Mohican Township, and the Village of Jeromesville. The Jeromesville Community Fire District provides fire protection and emergency services to residents.

Management believes the financial statements included in this report represent all of the funds over which the Jeromesville Community Fire District has direct operating control.

B. BASIS OF ACCOUNTING

These financial statements follow 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. Consequently, revenues are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Ohio law requires the Jeromesville Community Fire District to maintain the encumbrance method of accounting and to make appropriations. These statements make adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. FUND ACCOUNTING

The Jeromesville Community Fire District maintains its accounting records in accordance with the principles of "Fund accounting". Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds.

The Fire District classifies its funds into the following types:

GOVERNMENTAL FUNDS

Special Revenue Funds

To account for proceeds of specific revenue sources (other than expendable trusts, or major capital projects), that are legally restricted to disbursements for specified purposes.

D. BUDGETARY PROCESS

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

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 Jeromesville Community Fire District 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.

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.

Budgetary Activity

Budgetary activity for the years ending December 31 was as follows:

2000 Budgeted vs Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Special Revenue	\$ 109,491	\$ 114,642	\$ 5,151

2000 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Special Revenue	\$ 174,805	\$ 101,142	\$ 73,663

2001 Budgeted vs Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Special Revenue	\$ 112,696	\$ 126,568	\$ 13,872

2001 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Special Revenue	\$ 191,510	\$ 162,790	\$ 28,720

E. PROPERTY 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.

F. RETIREMENT SYSTEM

The District's employees 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 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. All contributions were paid through December 31, 2001.

G. EQUITY IN POOLED CASH

The Fire District maintains a cash pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, was as follows:

	<u>2001</u>	<u>2000</u>
Demand Deposits	\$ 42,341	\$ 78,814

H. PROPERTY TAX

Real Property taxes become a lien on January 1 preceding 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 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 is due the following June.

J. INSURANCE

The Jeromesville Community Fire District carries the following insurance coverages.

- Property and general liability
- Public Officials Liability
- Vehicles and Inland Marine.

K. DEBT

During 1998, the Jeromesville Fire District obtained a loan from National City Bank to construct an addition to the Fire Department Building. The terms of the agreement are as follows:

Amount: \$ 233,000
Interest Rate: 5.25 % Fixed or 75 % of prime rate
Maturity: (9) years

On May 1, 1998, the Fire District borrowed \$ 163, 951.11 of the original note, payable in semi-annual installments of \$ 9, 108.40, maturing on May 15, 2007.

Payments 2000: \$ 18,217
Payments 2001: \$ 18,217
Balance Due: \$ 91,084

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCP*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Jeromesville Community Fire District
Ashland County

We have audited the financial statements of Jeromesville Community Fire District, Ashland County, as of and for the year ended December 31, 2000, and 2001., and have issued our report thereon dated April 12, 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 Jeromesville Community 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jeromesville Community 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.

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.

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.
April 12, 2002



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

JEROMESVILLE COMMUNITY FIRE DISTRICT

ASHLAND 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 18, 2002**