



**Auditor of State
Betty Montgomery**

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Prior Audit Findings.....	11

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Perry Congress Joint Fire District
Morrow County
P.O. Box 85
Shauck, Ohio 43349

To the Board of Trustees:

We have audited the accompanying financial statements of the Perry Congress Joint Fire District, Morrow County, Ohio, (the District) as of and for the years ended December 31, 2002, and December 31, 2001. 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 and reserves for encumbrances of the Perry Congress Joint Fire District, Morrow County, as of December 31, 2002, and December 31, 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 our report dated July 14, 2003, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 14, 2003

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$47,728	\$11,257	\$58,985
Intergovernmental	5,802	1,353	\$7,155
Charges for Services	7,400	0	\$7,400
Earnings on Investments	382	0	\$382
Miscellaneous	2,313	0	\$2,313
	<u>63,625</u>	<u>12,610</u>	<u>76,235</u>
Total Cash Receipts			
	<u>63,625</u>	<u>12,610</u>	<u>76,235</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	26,382	9,849	36,231
General Government	2,463	0	2,463
Other	1,996	581	2,577
Debt Service:			
Redemption of Principal	3,221	0	3,221
Interest	87	0	87
Capital Outlay	4,042	0	4,042
	<u>38,191</u>	<u>10,430</u>	<u>48,621</u>
Total Cash Disbursements			
	<u>38,191</u>	<u>10,430</u>	<u>48,621</u>
Total Receipts Over Disbursements	25,434	2,180	27,614
Fund Cash Balances, January 1	<u>30,446</u>	<u>3,634</u>	<u>34,080</u>
Fund Cash Balances, December 31	<u><u>\$55,880</u></u>	<u><u>\$5,814</u></u>	<u><u>\$61,694</u></u>

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

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Local Taxes	\$21,684	\$10,843	\$32,527
Intergovernmental	10,651	1,299	11,950
Charges for Services	7,200	0	7,200
Earnings on Investments	1,343	0	1,343
Miscellaneous	2,550	0	2,550
	<u>43,428</u>	<u>12,142</u>	<u>55,570</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	28,198	8,433	36,631
General Government	1,800	0	1,800
Other	5,768	1,386	7,154
Debt Service:			
Redemption of Principal	16,779	0	16,779
Interest	436	0	436
Capital Outlay	53,146	0	53,146
	<u>106,127</u>	<u>9,819</u>	<u>115,946</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(62,699)</u>	<u>2,323</u>	<u>(60,376)</u>
Other Financing Receipts:			
Note Proceeds	20,000	0	20,000
	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Other Financing Receipts			
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements	(42,699)	2,323	(40,376)
Fund Cash Balances, January 1	73,145	1,311	74,456
	<u>73,145</u>	<u>1,311</u>	<u>74,456</u>
Fund Cash Balances, December 31	<u>\$30,446</u>	<u>\$3,634</u>	<u>\$34,080</u>
Reserves for Encumbrances, December 31	<u>\$3,761</u>	<u>\$935</u>	<u>\$4,696</u>

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

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perry Congress Joint Fire District, Morrow 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 five-member Board of Trustees. Two board members are appointed by each political subdivision within the District. Those subdivisions are Perry Township and Congress Township. The Fire Chief also serves on the Board. The District provides fire protection services that are beneficial to the surrounding public.

The District 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. 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. Special Revenue Fund

This fund is used to account for proceeds from specific sources (other than from trust or for capital projects) that are restricted to expenditure for specific purposes. The Fire District had the following significant Special Revenue Fund:

Fire Maintenance Fund – This fund receives local government tax and intergovernmental homestead and rollback monies for the maintenance of fire apparatus, appliances, buildings, or sites.

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

D. 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. 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.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

E. 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

The District maintains a cash pool. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<u>2002</u>	<u>2001</u>
Demand Deposits	\$ <u>61,694</u>	\$ <u>34,080</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$32,200	\$63,625	\$31,425
Special Revenue	12,400	12,610	210
Total	\$44,600	\$76,235	\$31,635

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$58,885	\$38,191	\$20,694
Special Revenue	15,099	10,430	4,669
Total	\$73,984	\$48,621	\$25,363

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,000	\$63,428	\$33,428
Special Revenue	12,000	12,142	142
Total	\$42,000	\$75,570	\$33,570

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$103,145	\$109,888	(\$6,743)
Special Revenue	13,310	10,754	2,556
Total	\$116,455	\$120,642	(\$4,187)

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 payments, the first half is due December 31. The second half payment is due the following June 20.

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.

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT

The District received a Promissory note of \$20,000 on February 20, 2001 from First-Knox National Bank. The District paid the note in full on February 20, 2002.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Non-Owned/Hired Auto
- Errors and omission



**Auditor of State
Betty Montgomery**

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

Perry Congress Joint Fire District
Morrow County
P.O. Box 85
Shauck, Ohio 43349

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Congress Joint Fire District, Morrow County, Ohio (the District) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated July 14, 2003. 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 an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated July 14, 2003.

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.

Perry Congress Joint Fire District
Morrow County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 14, 2003

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-40659-001	Revised Code 5705.28, adoption of tax budget	Yes	
2000-40659-002	Revised Code 5705.38, passage of appropriation measure	Yes	



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

PERRY CONGRESS JOINT FIRE DISTRICT

MORROW 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
SEPTEMBER 16, 2003**