



Dave Yost • Auditor of State

**DEER PARK SILVERTON JOINT FIRE DISTRICT
HAMILTON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Deer Park Silverton Joint Fire District
Hamilton County
7050 Blue Ash Rd.
Cincinnati, Ohio 45236

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Deer Park Silverton Joint Fire District, Hamilton County, Ohio (the District), as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 respective cash financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Deer Park Silverton Joint Fire District, Hamilton County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2011, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial

statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

February 18, 2011

Deer Park Silverton Joint Fire District
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

This discussion and analysis of Deer Park Silverton Joint Fire District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2009, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities decreased \$217,713. The District had 3 funds in 2009. The General Fund, a Special Revenue Fund that was used to finance a fire truck and a Capital Projects fund that was used for the Ambulance.

The District's general receipts are primarily property and other local taxes. These receipts represent respectively 76 percent of the total cash received for governmental activities during the year. Total receipts for 2009 had a significant decrease of \$693,777 from 2008. This decrease is primarily due to the lack of the FEMA Grant and Bond Proceeds received in 2008 for the purchase of a new fire truck and a new ambulance.

Total disbursements in 2009 were decreased by \$133,262 from 2008.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the District did financially during 2009, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances of the governmental activities of the District at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the Statement of Net Assets and the Statement of Activities, we present the District's activities as Governmental activities. All of the District's basic services are reported here, including fire and paramedic. State and federal grants, property taxes and other local revenue finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the District's major fund – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

Governmental Funds - All of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's only major governmental fund is the General Fund.

The District as a Whole

Table 1 provides a summary of the District's net assets for 2009 compared to 2008 on a cash basis:

Deer Park Silverton Joint Fire District
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

	<u>Governmental Activities</u>		Increase/ (Decrease)
	<u>2009</u>	<u>2008</u>	
Assets			
Cash and Cash Equivalents	<u>\$590,841</u>	<u>\$808,554</u>	<u>(\$217,713)</u>
Net Assets			
Restricted for Other Purposes	0	\$265,437	\$265,437
Unrestricted	<u>\$590,841</u>	<u>\$543,117</u>	<u>\$47,724</u>

As mentioned previously, net assets of governmental activities decreased \$ 217,713 during 2009.

Table 2 reflects the changes in net assets for 2009 compared to 2008 on a cash basis:

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2009	2008
Receipts:		
Program Receipts:		
Charges for Services	\$437,563	\$380,520
Operating Grants	5,499	266,550
Total Program Receipts	<u>443,062</u>	<u>647,070</u>
General Receipts:		
Property and Other Local Taxes	1,318,481	1,309,437
Capital Projects Debt Issuance	0	189,400
Special Revenue Debt Issuance	0	402,908
Refunding Bond	103,722	0
Interest	1,944	12,329
Miscellaneous	6,034	11,375
Total General Receipts	<u>1,430,181</u>	<u>1,925,449</u>
Total Receipts	<u>\$1,873,243</u>	<u>\$2,572,519</u>
Disbursements:		
Security of Persons and Property	1,611,319	1,988,541
Note Payoff	413,961	188,202
Debt Service:		
Principal Retirement	63,276	51,078
Interest and Fiscal Charges	7,899	1,896
Total Disbursements	<u>2,096,455</u>	<u>2,229,717</u>
Excess (Deficiency) Before Transfers	(223,212)	0
Transfers	5,499	0
Increase (Decrease) in Net Assets	(217,713)	0
Increase in Net Assets	(217,713)	342,802
Net Assets Beginning of Year	<u>\$808,554</u>	<u>465,752</u>
Net Assets End of Year	<u>\$590,841</u>	<u>\$808,554</u>

Deer Park Silverton Joint Fire District
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Program receipts represent 23 percent of 2009 total receipts, and primarily consist of EMS billing and charges to Columbia Township and the Village of Amberley for fire and paramedic services provided under contract.

General receipts represent 77 percent of the District's 2009 total receipts, and of these amounts, approximately 70 percent are property and other local taxes. We issued a refunding bond in order to pay off the original note that was used with the 2008 FEMA grant to purchase the new fire truck. Other receipts are insignificant and somewhat unpredictable revenue sources.

Security of Persons and Property represents 79 percent of 2009 total disbursements. Disbursements included within Security of Persons and Property includes primarily salaries and contracts.

Governmental Activities

If you look at the Statement of Activities on page 9, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. As previously mentioned, the major program disbursements for governmental activities are for Security of Persons and Property, which account for 79 percent of all 2009 governmental disbursements. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Total Cost Of Services 2009	Net Cost of Services 2009	Total Cost Of Services 2008	Net Cost of Services 2008
Security of Persons and Property	\$1,611,319	(\$1,168,257)	\$1,988,541	(\$1,341,471)
Note Payoff	413,961	(413,961)	188,202	(188,202)
Debt Service:				
Principal Retirement	63,276	(63,276)	51,078	(51,078)
Interest and Fiscal Charges	7,899	(7,899)	1,896	(1,896)
Total Expenses	\$2,096,455	(\$1,653,393)	\$2,229,717	(\$1,582,647)

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

Final 2009 estimated receipts were \$1,671,911 and actual receipts were \$1,769,521 resulting in a difference of \$97,610 Final 2009 estimated expenditures were \$1,827,717 and actual disbursements were \$1,721,797 resulting in a difference of \$105,920 The District had significant beginning balances each year which offset possible deficits.

Deer Park Silverton Joint Fire District
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Capital Assets and Debt Administration

Capital Assets

The District does not currently keep track of its capital assets.

Debt

The tax anticipation note was issued to provide operating funds for current operating expenses. The note was issued on April 16, 2003, in the amount of \$279,100 for seven years. The last payment was in 2009.

The 2008 Bond Issue was an Ohio Capital Asset Bond used to purchase an ambulance. The bond was issued March 20, 2008 in the amount of \$185,000.00 for 4 years.

On April 8, 2008 the district issued \$400,000 Vehicle Acquisition Anticipation Notes. This note matured April 7, 2009. To pay this note off, the district received \$261,250 from a FEMA grant, issued refunding bonds (below) in the amount of \$103,722 and paid the rest out of the general fund.

On April 2, 2009, the District issued refunding bonds as mentioned above in the amount of \$103,722 for the purpose of refinancing a portion of the prior Vehicle Acquisition Note for 2 years.

For further information regarding the District's debt, refer to Note 10 to the basic financial statements.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Belinda C. Joerger, Clerk-Treasurer, Deer Park Silverton Joint Fire District, 7050 Blue Ash Road, Silverton, Ohio 45236.

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Deer Park Silverton Joint Fire District
Hamilton County
Statement of Net Assets - Cash Basis
December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$590,841
	<hr/>
<i>Total Assets</i>	<u><u>\$590,841</u></u>
Net Assets	
Unrestricted	<u>\$590,841</u>
<i>Total Net Assets</i>	<u><u>\$590,841</u></u>

See accompanying notes to the basic financial statements

Deer Park Silverton Joint Fire District
Hamilton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts			Net(Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants	Governmental Activities
Governmental Activities				
Security of Persons and Property	\$1,611,319	\$437,563	\$5,499	(\$1,168,257)
Note Payoff	413,961	0	0	(413,961)
Debt Service				
Principal	63,276	0	0	(63,276)
Interest	7,899	0	0	(7,899)
<i>Total Governmental Activities</i>	<u>\$2,096,455</u>	<u>\$437,563</u>	<u>\$5,499</u>	<u>(1,653,393)</u>
		General Receipts		
		Property Taxes Levied for:		
		General Purposes		1,318,481
		Refunding Note		103,722
		Interest		1,944
		Miscellaneous		6,034
		<i>Total General Receipts</i>		<u>1,430,181</u>
		Other Financing Sources		
		Transfers in		5,499
		Change in Net Assets		(217,713)
		<i>Net Assets Beginning of Year</i>		<u>808,554</u>
		<i>Net Assets End of Year</i>		<u>\$590,841</u>

See accompanying notes to the basic financial statements

Deer Park Silverton Joint Fire District
Hamilton County
Statement of Cash Basis Assets and Fund Balance
General Fund
December 31, 2009

Assets

Equity in Pooled Cash and Cash Equivalents	\$590,841
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<i>Total Assets</i>	<u><u>\$590,841</u></u>
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Fund Balances

Unreserved:

Undesignated, Reported in:
General Fund

\$590,841

<i>Total Fund Balances</i>	<u><u>\$590,841</u></u>
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See accompanying notes to the basic financial statements

Deer Park Silverton Joint Fire District
Hamilton County

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Other Governmental Funds	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$1,107,009	\$0	\$1,107,009
Charges for Services	437,563	0	437,563
Intergovernmental	211,472	5,499	216,971
Interest	1,944	0	1,944
Miscellaneous	6,034	0	6,034
<i>Total Receipts</i>	<u>1,764,022</u>	<u>5,499</u>	<u>1,769,521</u>
Disbursements			
Current:			
Security of Persons and Property	1,605,820	0	1,605,820
Debt Service			
Principal	63,276	0	63,276
Interest	6,701	1,198	7,899
<i>Total Disbursements</i>	<u>1,675,797</u>	<u>1,198</u>	<u>1,676,995</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>88,225</u>	<u>4,301</u>	<u>92,526</u>
Other Financing Sources/Uses			
Transfers in	5,499	0	5,499
Transfers out	0	(5,499)	(5,499)
Refunding Bonds issued	0	103,722	103,722
Note Payoff	(46,000)	(367,961)	(413,961)
<i>Total Other Financing Sources & Uses</i>	<u>(40,501)</u>	<u>(269,738)</u>	<u>(310,239)</u>
<i>Net Change in Fund Balances</i>	<u>47,724</u>	<u>(265,437)</u>	<u>(217,713)</u>
<i>Fund Balances Beginning of Year</i>	<u>543,117</u>	<u>265,437</u>	<u>808,554</u>
<i>Fund Balances End of Year</i>	<u>\$590,841</u>	<u>\$0</u>	<u>\$590,841</u>

See accompanying notes to the basic financial statements

**Deer Park Silverton Joint Fire District
Hamilton County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis*

General Fund

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,095,682	\$1,095,682	\$1,107,009	\$11,327
Charges for Services	384,900	384,900	437,563	52,663
Intergovernmental	184,329	184,329	211,472	27,143
Interest	7,000	7,000	1,944	(5,056)
Miscellaneous	0	0	6,034	6,034
<i>Total receipts</i>	<u>1,671,911</u>	<u>1,671,911</u>	<u>1,764,022</u>	<u>92,111</u>
Disbursements				
Current:				
Security of Persons and Property	1,809,129	1,809,129	1,703,240	105,889
Debt Service				
Principal	18,276 #	18,276	18,276	0
Interest	312	312	281	31
<i>Total Disbursements</i>	<u>1,827,717</u>	<u>1,827,717</u>	<u>1,721,797</u>	<u>105,920</u>
Other Financing Sources				
Transfers in	0 #	0	5,499	5,499
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>5,499</u>	<u>5,499</u>
<i>Net Change in Fund Balance</i>	(155,806)	(155,806)	47,724	(108,082)
<i>Fund Balance Beginning of Year</i>	<u>543,117</u>	<u>543,117</u>	<u>543,117</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$387,311</u>	<u>\$387,311</u>	<u>\$590,841</u>	<u>\$203,530</u>

See accompanying notes to the basic financial statements

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Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 – Reporting Entity

Deer Park Silverton Joint Fire District, Hamilton 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 eight-member Board of Trustees. Four Board members are appointed by each political subdivision within the District. Those subdivisions are the City of Deer Park and the City of Silverton. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District provides fire and EMS services. The District appropriates general fund money for operations.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The following are the more significant of the District's accounting policies.

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash balances of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each government functions is self-financing on a cash basis or draws from the District's general receipts.

Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on the major fund. The major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the District are of one category, governmental.

Governmental Funds

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The District's only major governmental fund is the General Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District Trustees may appropriate.

The appropriations resolution is the District Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the District Trustees. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the District Trustees.

Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District Trustees during the year.

E. Cash and Deposits

To improve cash management, cash received by the District is pooled. Individual fund integrity is maintained through District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Interest earnings are allocated to District funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts were credited to the General Fund only during 2009.

G. Inventory and Prepaid Items

The District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District’s cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The District’s cash basis financial statements do not report liabilities for the District’s long term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing sources nor a capital outlay expenditures are reported at inception. Lease payments are reported when paid.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include local and state monies restricted to expenditures for specific purposes.

Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

There are no restricted net assets.

M. Fund Balance Reserves

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

Note 3 – Change in Basis of Accounting

None

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 5 – Deposits and Investments

Monies held by the District are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the District treasury. Active deposits must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the board of trustees has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)

Note 5 – Deposits and Investments (continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009, none of the District's bank balances of \$590,841 was exposed to custodial credit risk because all deposits were either covered by insurance from the Federal Deposit Insurance Corporation or by collateral held by an agent in the District's name.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008. In prior years, tangible personal property was

Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)

Note 6 – Property Taxes (continued)

assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. The amount will be reduced for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all District operations for the year ended December 31, 2009, was \$6.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property:	
Agricultural/Residential	\$156,420,570
Commercial/Industrial	38,305,930
Public Utility Real	8,171,590
Tangible Personal Property:	
General	<u>557,810</u>
Total Assessed Value	\$203,455.90

Note 7 – Risk Management

The District has obtained commercial insurance for the following risks:

- Comprehensive property; 2,177,790 deductible 250
- General liability; 3,000,000 deductible 250
- Vehicles; 2,000,000 deductible 250
- Errors and omissions; 2,000,000
- Umbrella Liability 2,000,000

The District also provides health insurance, dental and vision coverage to full-time employees through Humana and Dental Care Plus.

Note 8 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the Traditional Pension Plan – a cost sharing, multiple- employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)

Note 8 – Defined Benefit Pension Plans (continued)

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$13,288, \$15,908, and \$14,508 respectively. The full amounts for 2009, 2008 and 2007 were paid in full.

B. Ohio Police and Fire Pension Fund

The District contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the District is required to contribute 24 percent for Firefighters. Contributions are authorized by State statute. The District's required contributions to the Fund for the years ended December 31, 2009, 2008, and 2007 were \$129,472, \$121,895, and \$112,237, respectively. The full amounts for 2009, 2008 and 2007 were paid in full.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Ohio Public Retirement System or the Ohio Police and Fire Pension Fund use Social Security. The District's liability is 6.2% of wages paid.

Note 9- Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at a rate 17.63%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance

Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)

Note 9- Postemployment Benefits (continued)

with, Internal Revenue Code 401(J). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009 of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

Note 10 – Long Term Debt

Governmental Activities	Interest Rate	Year End 12/31/08	Additions	Reductions	Year End 12/31/09
Tax Anticipation Notes (2003)	3.39%	\$18,276	\$0	\$18,276	0
Refunding GO Bonds (2009)	2.79%	0	103,722	0	103,722
Ambulance Acquisition General Obligation Bonds (2008)	3.88%	185,000		45,000	140,000
Total		\$203,276	\$103,722	\$63,276	\$243,722

The tax anticipation note was issued to provide operating funds for current operating expenses. The note was issued on April 16, 2003, in the amount of \$279,100 for seven years. The last payment was in 2009.

The 2008 Bond Issue was an Ohio Capital Asset Bond used to purchase an ambulance. The bond was issued March 20, 2008 in the amount of \$185,000 for 4 years.

On April 2, 2009 the Deer Park Silverton Joint Fire District issued bonds in the amount of \$103,722 for the purpose of currently refunding a portion of the prior Vehicle Acquisition General Bond Anticipation Notes issued in 2008.

Deer Park Silverton Joint Fire District
Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)

Note 10 – Long Term Debt (continued)

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

Year	Refunding GO Bonds		General Obligation Bonds		Total
	Principal	Interest	Principal	Interest	
2010	\$51,861	\$4,820	\$45,000	\$7,619	\$109,300
2011	51,861	1,447	45,000	3,625	\$101,933
2012	0	0	50,000	1,938	\$51,938
Total	<u>\$103,722</u>	<u>\$6,267</u>	<u>\$140,000</u>	<u>\$13,182</u>	<u>\$263,171</u>

On April 8, 2008 the Deer Park Silverton Joint Fire District issued \$400,000 Vehicle Acquisition General Bond Anticipation Notes. The District obtained this note in order to prepay for a new Fire Truck. The District received a premium of \$2,908 on the bond anticipation note. The note was paid in full on April 3, 2009.

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Deer Park Silverton Joint Fire District
Hamilton County
7050 Blue Ash Rd.
Cincinnati, Ohio 45236

To the Board of Trustees:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Deer Park Silverton Joint Fire District, Hamilton County, Ohio (the District), as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 18, 2011, wherein we noted that the District uses a comprehensive accounting basis other than generally accepted accounting principles. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Deer Park Silverton Joint Fire District
Hamilton County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 18, 2011



Dave Yost • Auditor of State

DEER PARK SILVERTON JOINT FIRE DISTRICT

HAMILTON 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
MARCH 15, 2011