



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

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**STATE OF OHIO**



**SOUTH WEBSTER-BLOOM TOWNSHIP JOINT FIRE DISTRICT  
SCIOTO COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 44701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 750-594-2110  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

South Webster-Bloom Township Joint Fire District  
Scioto County  
15055C Lick Run Lyra Road  
South Webster, Ohio 45682

To the Board of Trustees:

We have audited the accompanying financial statements of the South Webster-Bloom Township Joint Fire District, Scioto County, Ohio (the District), as of and for the years ended December 31, 2001 and 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the South Webster-Bloom Township Joint Fire District, Scioto County, as of December 31, 2001 and 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 May 24, 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.

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", with a large, stylized loop at the end.

**Jim Petro**  
Auditor of State

May 24, 2002

**SOUTH WEBSTER-BLOOM TOWNSHIP JOINT FIRE DISTRICT  
SCIOTO COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Cash Receipts:</b>	
Local Taxes	\$131,648
Intergovernmental	16,610
Earnings on Investments	1,615
Miscellaneous	6,651
	<hr/>
Total Cash Receipts	156,524
	<hr/>
<b>Cash Disbursements:</b>	
Current:	
General Government	68,380
Debt Service:	
Redemption of Principal	29,484
Interest	8,148
Capital Outlay	101,998
	<hr/>
Total Cash Disbursements	208,010
	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(51,486)
	<hr/>
<b>Other Financing Receipts/(Disbursements):</b>	
Proceeds from Sale of Public Debt:	
Sale of Bonds	65,000
	<hr/>
Total Other Financing Receipts/(Disbursements)	65,000
	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	13,514
Cash Balance, January 1	38,186
	<hr/>
<b>Cash Balance, December 31</b>	<b>\$51,700</b>
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*The notes to the financial statements are an integral part of this statement.*

**SOUTH WEBSTER-BLOOM TOWNSHIP JOINT FIRE DISTRICT  
SCIOTO COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

<b>Cash Receipts:</b>	
Local Taxes	\$134,781
Intergovernmental	16,300
Earnings on Investments	1,889
Miscellaneous	13,823
	<hr/>
Total Cash Receipts	166,793
	<hr/>
<b>Cash Disbursements:</b>	
Current:	
General Government	41,110
Public Safety	65,244
Capital Outlay	150,348
	<hr/>
Total Cash Disbursements	256,702
	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(89,909)
	<hr/>
<b>Other Financing Receipts/(Disbursements):</b>	
Proceeds from Sale of Public Debt:	
Sale of Notes	92,635
	<hr/>
Total Other Financing Receipts/(Disbursements)	92,635
	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,726
Cash Balance, January 1	35,460
	<hr/>
<b>Cash Balance, December 31</b>	<b><u><u>\$38,186</u></u></b>

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



**SOUTH WEBSTER-BLOOM TOWNSHIP JOINT FIRE DISTRICT  
SCIOTO COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

South Webster-Bloom Township Joint Fire District, Scioto 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 four-member Board of Trustees and an appointed Clerk. Two Board members are appointed by each political subdivision within the District. Those subdivisions are Bloom Township and the Village of South Webster. The District provides fire protection 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.

**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**

The District has one checking account and had no investments during the audit period.

**D. Budgetary Process**

The Ohio Revised Code requires the District to prepare an annual budget.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**SOUTH WEBSTER-BLOOM TOWNSHIP JOINT FIRE DISTRICT  
SCIOTO COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process**

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year. The District did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 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 and investments. The carrying amount of cash at December 31 follows:

	2001	2000
Demand deposits	\$51,700	\$38,186
Total deposits	\$51,700	\$38,186

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$215,616	\$221,524	\$5,908

2001 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$186,510	\$208,010	(\$21,500)

**SOUTH WEBSTER-BLOOM TOWNSHIP JOINT FIRE DISTRICT  
SCIOTO COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

<u>2000 Budgeted vs. Actual Receipts</u>		
<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
<u>\$149,599</u>	<u>\$259,428</u>	<u>\$109,829</u>

<u>2000 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<u>\$183,900</u>	<u>\$256,702</u>	<u>(\$72,802)</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority by \$21,500 and \$72,802 for the years ended December 31, 2001 and 2000, respectively. Also contrary to Ohio law, the District did not certify the availability of funds prior to incurring any obligations or use then and now certificates.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$65,000	5%
General Obligation Note	<u>61,603</u>	7%
Total	<u>\$126,603</u>	

**SOUTH WEBSTER-BLOOM TOWNSHIP JOINT FIRE DISTRICT  
SCIOTO COUNTY**

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

**5. DEBT (Continued)**

The District issued a general obligation note to finance the purchase of a new fire truck. The note was issued on June 16, 2000 in the amount of \$92,635 and has maturities through October 15, 2004. The notes are collateralized solely by the District taxing authority.

The District issued a general obligation bonds to finance the purchase of a new ambulance. The bonds were issued on May 4, 2001 in the amount of \$65,000 and have maturities through May 4, 2005. The bonds are collateralized solely by the District taxing authority.

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

Year Ending December 31:	General Obligation Bonds	General Obligation Note
2002	\$18,135	\$22,631
2003	18,135	22,631
2004	18,135	22,602
2005	18,135	
Total	\$72,540	\$67,864

**6. RETIREMENT SYSTEMS**

The District's Clerk belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan 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, the District Clerk contributed 8.5% of her gross salary. The District contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. 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 and general liability;
- Vehicles; and
- Errors and omissions.



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Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

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

South Webster-Bloom Township Joint Fire District  
Scioto County  
15055C Lick Run Lyra Road  
South Webster, Ohio 45682

To the Board of Trustees:

We have audited the accompanying financial statements of the South Webster-Bloom Township Joint Fire District, Scioto County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 24, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2001-40773-001 and 2001-40773-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated May 24, 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 May 24, 2002.

South Webster-Bloom Township Joint Fire District  
Scioto 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 fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

May 24, 2002

**SOUTH WEBSTER-BLOOM TOWNSHIP JOINT FIRE DISTRICT  
SCIOTO COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2001-40773-001**

Ohio Rev. Code §5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

1. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
  
2. Amounts of less than \$1,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

All liabilities, contracts, and open purchase commitments greater than \$1,000 were not certified by the Clerk and were not encumbered until the time of payment. These commitments were not subsequently approved by the Board of Trustees within the aforementioned 30 day time period.

We recommend the Clerk certify the availability of funds prior to incurring any obligations or use then and now certificates.

**FINDING NUMBER 2001-40773-002**

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 2000 and 2001, total disbursements exceeded total appropriations by \$72,802 (28%) and \$21,500 (10%), respectively.

The Clerk should deny payment requests exceeding appropriations. The Clerk may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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

**SOUTH WEBSTER-BLOOM TOWNSHIP FIRE DISTRICT**

**SCIOTO 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 23, 2002**