



**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003-2004



**Auditor of State
Betty Montgomery**

**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2004.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Prior Year Findings	13

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**Auditor of State
Betty Montgomery**

Central Joint Fire District
Wood County
13179 Mermill Road
Portage, Ohio 43451-9749

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

September 26, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Central Joint Fire District
Wood County
13179 Mermill Road
Portage, Ohio 43451-9749

To the Board of Trustees:

We have audited the accompanying financial statements of the Central Joint Fire District, Wood County, (the District) as of and for the years ended December 31, 2004 and 2003. 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 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 opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following

paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Central Joint Fire District, Wood County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2004. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2005, 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.



Betty Montgomery
Auditor of State

September 26, 2005

**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	
Cash Receipts:			
Local Taxes	\$174,582		\$174,582
Homestead and Rollback	\$18,851		18,851
Plain Township Contract	12,000		12,000
Grants	41,422		41,422
Earnings on Investments	1,395		1,395
Miscellaneous	3,805		3,805
Total Cash Receipts	<u>252,055</u>		<u>252,055</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	14,552		14,552
Equipment	215,061		215,061
Utilities	11,536		11,536
Building Maintenance	8,600		8,600
Equipment Repairs	6,656		6,656
Supplies	3,459		3,459
Insurance	17,814		17,814
Advertising	303		303
Miscellaneous	2,096		2,096
Educational Materials	627		627
Subscriptions/Dues	320		320
Auditor/ Treasurer Fees	2,575		2,575
Fuel Vehicles	2,661		2,661
Training	9,471		9,471
Property Taxes	210		210
Debt Service:			
Redemption of Principal	6,326	\$65,000	71,326
Interest	1,131	24,120	25,251
Total Disbursements	<u>303,398</u>	<u>89,120</u>	<u>392,518</u>
Total Receipts Over/(Under) Disbursements	<u>(51,343)</u>	<u>(89,120)</u>	<u>(140,463)</u>
Other Financing Receipts/(Disbursements):			
Proceeds from Loan	100,000		100,000
Sale of Fixed Assets	3,057		3,057
Transfers-In		89,120	89,120
Transfers-Out	(89,120)		(89,120)
Total Other Financing Receipts/(Disbursements)	<u>13,937</u>	<u>89,120</u>	<u>103,057</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(37,406)		(37,406)
Fund Cash Balances, January 1	<u>224,421</u>		<u>224,421</u>
Fund Cash Balances, December 31	<u>\$187,015</u>		<u>\$187,015</u>

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

**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	
Cash Receipts:			
Local Taxes	\$165,627		\$165,627
Homestead and Rollback	\$18,359		18,359
Billable Runs	\$7,550		7,550
Plain Township Contract	12,000		12,000
Grants	6,595		6,595
Earnings on Investments	2,112		2,112
Miscellaneous	1,665		1,665
Total Cash Receipts	<u>213,908</u>		<u>213,908</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	12,717		12,717
Equipment	25,183		25,183
Utilities	10,274		10,274
Building Maintenance	4,443		4,443
Equipment Repairs	7,736		7,736
Supplies	2,881		2,881
Insurance	13,670		13,670
Advertising	356		356
Miscellaneous	4,897		4,897
Educational Materials	696		696
Subscriptions/Dues	490		490
Auditor/ Treasurer Fees	2,058		2,058
Fuel Vehicles	1,992		1,992
Training	7,824		7,824
Property Taxes	216		216
Debt Service:			
Redemption of Principal	27,191	66,000	93,191
Interest	1,073	9,484	10,557
Total Disbursements	<u>123,697</u>	<u>75,484</u>	<u>199,181</u>
Total Receipts Over/(Under) Disbursements	<u>90,211</u>	<u>(75,484)</u>	<u>14,727</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		75,484	75,484
Transfers-Out	(75,484)		(75,484)
Other Sources	6,153		6,153
Total Other Financing Receipts/(Disbursements)	<u>(69,331)</u>	<u>75,484</u>	<u>6,153</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	20,880		20,880
Fund Cash Balances, January 1	<u>203,541</u>		<u>203,541</u>
Fund Cash Balances, December 31	<u>\$224,421</u>		<u>\$224,421</u>

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

**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Central Joint Fire District, Wood County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Portage Township, Liberty Township, and the Village of Portage. 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.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 adequately disclose material matters the Auditor of State prescribes.

C. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

3. Debt Service Fund

This fund accumulates resources to pay bond indebtedness. The District had the following debt service fund:

General Obligation Bond Retirement Fund – This fund is used to record the payment of debt for the District Fire Building.

D. Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN POOLED CASH

The District maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	2004	2003
Demand deposits	\$187,015	\$224,421

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the District.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$212,895	\$355,112	\$142,217
Debt Service	120,000	89,120	(30,880)
Total	\$332,895	\$444,232	\$111,337

**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$433,500	\$392,518	\$40,982
Debt Service	120,000	89,120	30,880
Total	<u>\$553,500</u>	<u>\$481,638</u>	<u>\$71,862</u>

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$178,402	\$220,061	\$41,659
Debt Service	76,106	75,484	(622)
Total	<u>\$254,508</u>	<u>\$295,545</u>	<u>\$41,037</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$361,484	\$199,181	\$162,303
Debt Service	76,000	75,484	516
Total	<u>\$437,484</u>	<u>\$274,665</u>	<u>\$162,819</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Trustees adopts rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State then pays the District amounts equaling the homestead and rollback deductions. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax owners assess that property. The property owners must file a tangible property list 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, 2004 was as follows:

**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

	Principal	Interest Rate
General Obligation Bonds	\$223,000	5.25%
Bank Loan	93,674	4.496%
Total	\$316,674	

The District issued general obligation bonds to finance the purchase of a new fire hall on May 16, 2000 in the amount of \$408,000. The District is advance paying the bonds and currently the bonds have maturities through March 2012. The bonds are collateralized solely by the District's taxing authority.

The District entered into a bank loan to finance the purchase of a new Emergency Responder/Rescue vehicle. The loan was issued on September 8, 2004 in the amount of \$100,000 and matures on September 8, 2009. The District plans on paying this loan off early. The loan is collateralized by the equipment purchased and the District's taxing authority.

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

	General Obligation Bonds	Bank Loan
Year ending December 31:		
2005	\$34,679	\$22,370
2006	35,460	22,370
2007	34,150	22,370
2008	34,801	22,370
2009	34,334	14,499
2010-2012	104,294	
Total	\$277,718	\$103,979

6. RETIREMENT SYSTEMS

The District's Clerk and Fire Chief belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, members of OPERS contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2004.

7. RISK MANAGEMENT

Commercial Insurance

The Central Joint Fire District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



**Auditor of State
Betty Montgomery**

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

Central Joint Fire District
Wood County
13179 Mermill Road
Portage, Ohio 43451-9749

To the Board of Trustees:

We have audited the financial statements of the Central Joint Fire District, Wood County, (the District) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated September 26, 2005, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated September 26, 2005, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

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

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

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*. In a separate letter to the District's management dated September 26, 2005, we reported a matter related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for 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

September 26, 2005

**CENTRAL JOINT FIRE DISTRICT
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-001	ORC 5705.41 (D) prior certification of funds available for expenditure.	Yes	
2002-002	ORC 135.18 and .181 deposits were not collateralized.	Yes	



**Auditor of State
Betty Montgomery**

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CENTRAL JOINT FIRE DISTRICT

WOOD 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
OCTOBER 20, 2005**