

CENTRAL TOWNSHIPS JOINT FIRE DISTRICT  
MADISON COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022



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Members of The Board  
Central Townships Joint Fire District  
6770 State Route 38 SW  
London, Ohio 43140

We have reviewed the *Independent Auditor's Report* of the Central Townships Joint Fire District, Madison County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER  
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

October 02, 2025

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**Central Townships Joint Fire District**  
**Madison County**  
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*For the Years Ended December 31, 2023 and 2022*

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**Independent Auditor's Report**

Members of The Board  
Central Townships Joint Fire District  
Madison County  
6770 State Route 38 SW  
London, Ohio 43140

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Central Townships Joint Fire District, Madison County, Ohio (the District) which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2023, and 2022, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

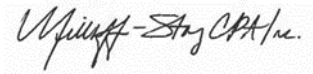


- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

May 20, 2025

**Central Townships Joint Fire District**  
**Madison County**  
*Statement of Cash Receipts, Cash Disbursements and*  
*Changes in Fund Cash Balance*  
*Governmental Fund Type*  
*For the Year Ended December 31, 2023*

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	<u>General</u>
Cash Receipts:	
Property and Other Local Taxes	1,615,614
Earnings on Investments	104,946
Miscellaneous	<u>51,107</u>
Total Cash Receipts	1,771,667
Cash Disbursements:	
Current:	
Security of Persons and Property:	
Salaries	1,052,057
Fringe Benefits	132,671
Equipment	248,267
Materials and Supplies	10,620
Other	<u>257,556</u>
Total Cash Disbursements	<u>1,701,171</u>
Net Change in Fund Cash Balance	70,496
Fund Cash Balances, January 1	<u>1,774,754</u>
Fund Cash Balances, December 31	<u><u>\$ 1,845,250</u></u>

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

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Summary of Significant Accounting Policies**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Central Townships Joint Fire District, Madison County, (the District) as a body corporate and politic. A six-member Fire District Board governs the District. The District is made up of six participating townships: Deercreek, Monroe, Oak Run, Paint, Somerford and Union. Each township within the District appoints one member to the Board. The District provides fire protection to participating townships.

The District has three fire stations, located in Deercreek, Somerford and Paint Townships. The fire stations are operated by a Fire Chief and Assistant Fire Chief as well as part-time firefighters.

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

**Basis of Presentation**

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

**Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The District 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 include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

**Deposits and Investments**

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The District maintains its cash pool in an interest-bearing checking account and investments through Star Ohio. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Fund Accounting**

The District uses fund accounting to segregate cash that is restricted as to use. The District classifies its fund in the following type:

*General Fund* – The General Fund reports all financial resources except those required to be accounted for in another fund. The District reports only the General Fund.

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Budgetary Process**

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

*Appropriations*

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

*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.

*Encumbrances*

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not use the encumbrance method of accounting.

A summary of the 2023 budgetary activity appears in Note 3.

**Fund Balances**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its resources in governmental funds. The classifications are as follows:

*Nonspendable* – The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

*Restricted* – Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

*Committed* – The Fire District Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Fire District Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

*Unassigned* – Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

The District applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**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.

**Note 2 – Deposits and Investments**

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

	2023
Demand Deposits	<u>\$42,463</u>
Total deposits	<u>42,463</u>
STAR Ohio	<u>1,802,787</u>
Total investments	<u>1,802,787</u>
Total deposits and investments	<u>\$1,845,250</u>

*Deposits:* Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institutions' public entity deposit pools.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$1,400,000</u>	<u>\$1,771,667</u>	<u>\$371,667</u>

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$1,950,000</u>	<u>\$1,701,171</u>	<u>\$248,829</u>

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 4 – Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Fire District Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead and rollback credits or homestead and rollback deductions. The financial statements include these amounts the State pays as Intergovernmental Receipts. 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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

**Note 5 – Defined Benefit Pension Plans**

The District has employees who belong to Ohio Police & Fire Retirement System and Ohio Public Employees Retirement System.

**Ohio Police and Fire Retirement System**

Full time district certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The District contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The District has paid all contributions required through December 31, 2023.

**Ohio Public Employees Retirement System**

Some District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2023.

**Social Security**

Some District employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2023.

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 6-Postemployment Benefits**

Both OP&F and OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement

Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits

**Note 7 – Risk Management**

**Risk Pool Membership**

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$23,113,696
Liabilities	(16,078,587)
Members' Equity	<u>\$7,035,109</u>

You can read the complete audited financial statements for OPRM Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 8 – Contingent Liabilities**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

The District is not currently party to any lawsuits.

**Note 9 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. In the General fund, outstanding encumbrances are considered assigned. The District did not have any outstanding encumbrances at year end.



**Central Townships Joint Fire District**  
**Madison County**  
*Statement of Cash Receipts, Cash Disbursements and*  
*Changes in Fund Cash Balance*  
*Governmental Fund Type*  
*For the Year Ended December 31, 2022*

	<u>General</u>
Cash Receipts:	
Property and Other Local Taxes	\$ 1,591,688
Earnings on Investments	29,879
Miscellaneous	<u>78,135</u>
Total Cash Receipts	1,699,702
Cash Disbursements:	
Current:	
Security of Persons and Property:	
Salaries	913,613
Fringe Benefits	126,354
Equipment	105,105
Materials and Supplies	15,509
Other	<u>227,103</u>
Total Cash Disbursements	<u>1,387,684</u>
Net Change in Fund Cash Balance	312,018
Fund Cash Balances, January 1	<u>1,462,736</u>
Fund Cash Balances, December 31	<u><u>\$ 1,774,754</u></u>

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

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Summary of Significant Accounting Policies**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Central Townships Joint Fire District, Madison County, (the District) as a body corporate and politic. A six-member Fire District Board governs the District. The District is made up of six participating townships: Deercreek, Monroe, Oak Run, Paint, Somerford and Union. Each township within the District appoints one member to the Board. The District provides fire protection to participating townships.

The District has three fire stations, located in Deercreek, Somerford and Paint Townships. The fire stations are operated by a Fire Chief and Assistant Fire Chief as well as part-time firefighters.

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

**Basis of Presentation**

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

**Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The District 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 include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

**Deposits and Investments**

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The District maintains its cash pool in an interest-bearing checking account and investments through Star Ohio. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Fund Accounting**

The District uses fund accounting to segregate cash that is restricted as to use. The District classifies its fund in the following type:

*General Fund* – The General Fund reports all financial resources except those required to be accounted for in another fund. The District reports only the General Fund.

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Budgetary Process**

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

*Appropriations*

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

*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.

*Encumbrances*

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not use the encumbrance method of accounting.

A summary of the 2023 budgetary activity appears in Note 3.

**Fund Balances**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its resources in governmental funds. The classifications are as follows:

*Nonspendable* – The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

*Restricted* – Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

*Committed* – The Fire District Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Fire District Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

*Unassigned* – Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

The District applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**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.

**Note 2 – Deposits and Investments**

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

	2022
Demand Deposits	\$76,630
Total deposits	76,630
STAR Ohio	1,698,124
Total investments	1,698,124
Total deposits and investments	\$1,774,754

*Deposits:* Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institutions' public entity deposit pools.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,350,000	\$1,699,702	\$349,702

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,750,000	\$1,387,684	\$362,316

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 4 – Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Fire District Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead and rollback credits or homestead and rollback deductions. The financial statements include these amounts the State pays as Intergovernmental Receipts. 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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

**Note 5 – Defined Benefit Pension Plans**

The District has employees who belong to Ohio Police & Fire Retirement System and Ohio Public Employees Retirement System.

**Ohio Police and Fire Retirement System**

Full time district certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The District contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The District has paid all contributions required through December 31, 2022.

**Ohio Public Employees Retirement System**

Some District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2022.

**Social Security**

Some District employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2022.

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 6-Postemployment Benefits**

Both OP&F and OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. OP&F contributes 0.5 percent of the employer contribution to fund these benefits. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 7 – Risk Management**

**Risk Pool Membership**

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$21,662,291
Liabilities	(18,158,351)
Members' Equity	<u>\$3,503,940</u>

You can read the complete audited financial statements for OPRM Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Central Townships Joint Fire District**  
**Madison County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 8 – Contingent Liabilities**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

The District is not currently party to any lawsuits.

**Note 9 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. In the General fund, outstanding encumbrances are considered assigned. The District did not have any outstanding encumbrances at year end.

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Members of the Board  
Central Townships Joint Fire District  
Madison County  
6770 State Route 38 SW  
London, Ohio 43140

We have audited 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 (*Government Auditing Standards*), the financial statements of the Central Townships Joint Fire District, Madison County, Ohio (the District) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2025, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.



Central Townships Joint Fire District

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

### **Report on Compliance and Other Matters**

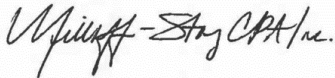
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2023-002.

### **District's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

May 20, 2025

**Central Townships Joint Fire District**  
**Madison County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2023 and 2022*

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<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2023-001**

**Material Weakness – Financial Reporting**

A monitoring system by the District should be in place to prevent or detect misstatements for the accurate presentation of the District’s financial statements. During both 2023 and 2022, we noted the financial statements did not include beginning or ending fund balance and expense classifications were not correctly reported. It was also noted that the footnotes to the financial statements were not properly prepared. These items were required to be added to properly present the activity of the District. Additionally, during both 2023 and 2022, the District improperly classified intergovernmental revenue. This item was immaterial to adjust and was waived by the District and auditor.

We recommend the District implement additional control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements.

**District’s Response:**

The Client chose not to respond.

**Finding Number 2023-002**

**Noncompliance Citation – Certification of Funds**

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing unit from making any contract or order for any expenditure of money unless a certificate signed by the Clerk is attached thereto. The Clerk must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a Clerk’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. “Then and Now” Certificate – If the Clerk can certify that both at the time that the contract or order was made (“then”), and at the time that the Clerk is completing the certification (“now”), that 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 District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the Clerk without a resolution or ordinance 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 District.

**Central Townships Joint Fire District**  
**Madison County**  
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*For the Years Ended December 31, 2023 and 2022*

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**Finding Number 2015-002 (Continued)**

**Noncompliance Citation – Certification of Funds (Continued)**

2. Blanket Certificate – The Clerk may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Clerk for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The District did not certify the availability of funds prior to the purchase commitment for 100% of disbursements tested. Failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the District uses the exceptions noted above, prior certification is not only required by statute but is also a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District’s funds exceeding budgetary spending limitations, the Clerk should certify that funds are or will be available prior to obligation by the District through use of a purchase order. When prior certification is not possible, “then and now” certification should be used.

**District’s Response:**

The Client chose not to respond.

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# OHIO AUDITOR OF STATE KEITH FABER



**CENTRAL TOWNSHIP JOINT FIRE DISTRICT**

**MADISON COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 10/14/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)