



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

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**STATE OF OHIO**



**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

JSP Fire District  
Champaign County  
P.O. Box 648  
St. Paris, Ohio 43072

To the Board of Trustees:

We have audited the accompanying financial statements of JSP Fire District, Champaign County, (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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the District, 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 June 11, 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 the 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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

June 11, 2002

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>			
Real Estate Tax	\$73,998		\$73,998
Personal Property Tax	62,336		62,336
Homestead and Rollback	8,694		8,694
Fire Contracts	24,000		24,000
Interest	4,473		4,473
Other	2,805		2,805
	<hr/>		<hr/>
Total Cash Receipts	176,306		176,306
<b>Cash Disbursements:</b>			
Current:			
Salary Clerk	2,300		2,300
Employers PERS	970		970
Employers SS	206		206
Employers Medicare	117		117
Workers Compensation	165		165
Auditor/Treasurer Fees	3,635		3,635
Insurance	7,998		7,998
Supplies	17,252		17,252
Equipment/Tools	1,233		1,233
Repairs	8,661		8,661
Utilities/Communication	3,539		3,539
Salary Firefighters	11,119		11,119
Other Expenses	1,922		1,922
Debt Service:			
Redemption of Principal		68,500	68,500
Interest		9,761	9,761
	<hr/>	<hr/>	<hr/>
Total Disbursements	59,117	78,261	137,378
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	117,189	(78,261)	38,928
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		78,261	78,261
Transfers-Out	(78,261)		(78,261)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(78,261)	78,261	
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	38,928		38,928
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	157,823		157,823
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<u>\$196,751</u>	<u>\$0</u>	<u>\$196,751</u>

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

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

<b>Operating Cash Receipts</b>	
Interest	\$4,662
<b>Operating Cash Disbursements</b>	<u>0</u>
<b>Operating Income</b>	4,662
Fund Cash Balance, January 1	<u>54,912</u>
<b>Fund Cash Balance, December 31</b>	<u><u>\$59,574</u></u>

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



**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>			
Real Estate Tax	\$73,706		\$73,706
Personal Property Tax	59,070		59,070
Homestead and Rollback	8,579		8,579
Fire Contracts	31,000		31,000
Interest	4,293		4,293
Other	1,665		1,665
	<hr/>		<hr/>
Total Cash Receipts	178,313		178,313
<b>Cash Disbursements:</b>			
Current:			
Salary Clerk	2,300		2,300
Employers PERS	1,687		1,687
Employers SS	224		224
Employers Medicare	135		135
Workers Compensation	91		91
State Examiners Fee	2,117		2,117
Auditor/Treasurer Fees	3,890		3,890
Insurance	8,079		8,079
Supplies	7,387		7,387
Equipment/Tools	12,960		12,960
Repairs	8,503		
Utilities/Communication	3,020		3,020
Salary Firefighters	13,249		13,249
Other Expenses	2,714		2,714
Debt Service:			
Redemption of Principal		68,500	68,500
Interest		11,419	11,419
	<hr/>	<hr/>	<hr/>
Total Disbursements	66,356	79,919	137,772
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	111,957	(79,919)	32,038
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		79,831	79,831
Transfers-Out	(79,831)		(79,831)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(79,831)	79,831	
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	32,126	(88)	32,038
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	125,697	88	125,785
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<u>\$157,823</u>	<u>\$0</u>	<u>\$157,823</u>

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

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

<b>Operating Cash Receipts</b>	
Donations	\$8,725
Interest	1,187
	<hr/>
Total Cash Receipts	9,912
<b>Operating Cash Disbursements</b>	<hr/> 0
Operating Income	9,912
Fund Cash Balance, January 1	45,000
	<hr/> <hr/>
<b>Fund Cash Balance, December 31</b>	<hr/> <hr/> \$54,912

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

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

JSP Fire District, Champaign 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 a five-member Board of Trustees. Johnson Township has three members and the Village of St. Paris has one member on the Board with the last member being appointed at-large. 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 and Investments**

Certificates of deposit are valued at cost. The District utilizes an interest bearing Super Now Checking account.

**D. 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Debt Service Funds**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The District had the following debt service fund:

**Note Retirement Fund** – The fund receives transfers from the General Fund which are used to pay note debt on a fire truck.

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

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

**3. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The District had the following significant Fiduciary Fund:

**Barger Nonexpendable Trust Fund** – This fund receives donations which must be maintained in perpetuity. The interest income generated from the principal is to be used for the general purposes of the Fire Department.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The District did not use the encumbrance method of accounting.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**F. 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 AND INVESTMENTS**

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

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	2001	2000
Demand deposits	\$200,232	\$159,010
Certificates of deposit	56,093	53,725
Total deposits	\$256,325	\$212,735

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the District.

**3. BUDGETARY ACTIVITY**

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

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$168,000	\$176,306	\$8,306
Debt Service	90,000	78,261	(11,739)
Nonexpendable Trust	2,700	4,662	1,962
Total	\$260,700	\$259,229	(\$1,471)

2001 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$235,825	\$137,378	\$98,447
Debt Service	90,000	78,261	11,739
Nonexpendable Trust			0
Total	\$325,825	\$215,639	\$110,186

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$159,000	\$178,313	\$19,313
Debt Service	80,000	79,831	(169)
Nonexpendable Trust		9,912	9,912
Total	\$239,000	\$268,056	\$29,056

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$284,697	\$146,187	\$138,510
Debt Service	80,089	79,919	170
Nonexpendable Trust			0
Total	\$364,786	\$226,106	\$138,680

**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 Homestead and Rollback 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.

Public utilities are also taxed on personal and real property located within the District.

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:

	Principal	Interest Rate
General Obligation Note	\$97,750	4.75

The District entered into a general obligation note in order to finance the purchase of a new pumper/rescuer truck. The notes were issued on June 30, 1999 in the amount of \$274,000 with final maturity scheduled for December 30, 2006.

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

**5. DEBT (Continued)**

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

Year ending December 31:	General Obligation Note
2002	38,881
2003	37,254
2004	30,378
Total	<u>\$106,513</u>

**6. RETIREMENT SYSTEMS**

The clerk and some fire fighters belong 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. The remainder of the fire fighters belong to Social Security.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS member employees contributed 8.5% of their gross salaries. 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 employer contributions 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

The District is uninsured for the following risks:

- Errors and omissions.

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

JSP Fire District  
Champaign County  
P.O. Box 648  
St. Paris, Ohio 43072

To the Board of Trustees:

We have audited the accompanying financial statements of JSP Fire District, Champaign County, (the "District") as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 11, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-40311-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated June 11, 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 a matter involving the internal control over financial reporting that does not require inclusion in the report, that we have reported to management of the District in a separate letter dated June 11, 2002.

JSP Fire District  
Champaign 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 the 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 stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

June 11, 2002

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

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

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2001-40311-001**

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.41 (D)** states that no order or contract involving the expenditure of money is 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:

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 she is completing her 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.

Amounts less than \$1,000 for fire districts may be paid by the fiscal officer without such certificate 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.

One hundred percent of the District's transactions were not certified by the Clerk prior to making the order for the expenditure of District funds. In addition, neither of the two exceptions noted above were utilized for their transactions. Procedures should be implemented not only to help ensure compliance with this requirement, but to help prevent the unauthorized obligation of District funds.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**JSP FIRE DISTRICT**

**CHAMPAIGN 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 2, 2002**