

GREEN-PERRYSVILLE JOINT FIRE DISTRICT
ASHLAND COUNTY, OHIO

AUDIT REPORT

For the Period August 15, 2008 through December 31, 2008

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Board of Trustees
Green-Perrysville Joint Fire District
PO Box 270
Loudonville, Ohio 44842

We have reviewed the *Report of Independent Accountants* of the Green-Perrysville Joint Fire District, Ashland County, prepared by Charles E. Harris & Associates, Inc., for the audit period April 15, 2008 through December 31, 2008. 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 Green-Perrysville Joint Fire District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 6, 2009

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Green-Perrysville Joint Fire District, Ashland County
Audit Report
For the period ended December 31, 2008

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Green-Perrysville Joint Fire District
Ashland County
P.O. Box 270
Loudonville, OH 44842

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Green-Perrysville Joint Fire District, Ashland County, Ohio, (the District), as of and for the period from its inception (April 15, 2008) through December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express 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 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 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Green-Perrysville Joint Fire District, Ashland County as of December 31, 2008, and the respective changes in cash basis financial position and the budgetary comparison for the General Fund and Fireman's Fund for the period then ended in conformity with the accounting basis Note 2 describes.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 27, 2009 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 and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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.

Charles E. Harris & Associates, Inc.

May 27, 2009

Green-Perrysville Joint Fire District
Management's Discussion and Analysis
For the Period Ended December 31, 2008
Unaudited

This discussion and analysis of the Green-Perrysville Joint Fire District's financial performance provides an overall review of the Fire District's financial activities for the period ended December 31, 2008, within the limitations of the Fire District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Fire District's financial performance.

Highlights

Key highlights for 2008 are as follows:

The Green-Perrysville Fire District was formed April 15, 2008.

The Fire District's general receipts are primarily property taxes. These receipts represent 60 percent of the total cash received for governmental activities during the period.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

Reporting the Fire District as a Whole

The statement of net assets and the statement of activities reflect how the Fire District did financially for the period April 15, 2008 through December 31, 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Fire District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Fire District's general receipts.

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

In the statement of net assets and the statement of activities, we divide the Fire District into one type of activity:

Governmental activities- All of the Fire District's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Fire District's Most Significant Funds

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

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

Green-Perrysville Joint Fire District
 Management's Discussion and Analysis
 For the Period Ended December 31, 2008
 Unaudited

The Fire District as a Whole

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

(Table 1)
Net Assets

	Governmental Activities
	2008
Assets	
Cash and Cash Equivalents	\$109,669
Total Assets	\$109,669
Net Assets	
Restricted for:	
Other Purposes	42,940
Unrestricted	66,729
Total Net Assets	\$109,669

Governmental Activities

If you look at the Statement of Activities on page 8, you will see that the first column lists the major services provided by the Fire District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are security of persons and property, which account for 100 percent of all governmental disbursements. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Fire District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008
Public Safety	\$113,259	(\$98,558)
Total Expenses	\$113,259	(\$98,558)

The dependence upon property and income tax receipts is apparent as over 87 percent of governmental activities are supported through these general receipts.

Green-Perrysville Joint Fire District
Management's Discussion and Analysis
For the Period Ended December 31, 2008
Unaudited

The Fire District's Funds

Total governmental funds had receipts of \$222,928 and disbursements of \$113,259.

Budgeting Highlights

The Fire District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2008, the Fire District amended its General Fund budget a few times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to tax distributions received from Green-Perrysville Joint Fire District and remaining funds from the Village of Perrysville. The difference between final budgeted receipts and actual receipts were significant.

Final disbursements were budgeted at \$153,356 while actual disbursements were \$114,057. The Fire District kept their spending below budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

The Fire District has chosen not to report capital assets.

Current Issues

The challenge for all Fire Districts is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base.

Contacting the Fire District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Fire District's finances and to reflect the Fire District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Andi Purcell, Fiscal Officer, Green-Perrysville Joint Fire District, P.O.Box 270, Loudonville, Ohio 44842.

Green-Perrysville Joint Fire, Ashland County

Statement of Net Assets - Cash Basis

December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 109,669</u>
<i>Total Assets</i>	<u><u>109,669</u></u>
Net Assets	
Restricted for:	
Other Purposes	42,940
Unrestricted	<u>66,729</u>
<i>Total Net Assets</i>	<u><u>\$ 109,669</u></u>

See accompanying notes to the basic financial statements

Green-Perrysville Joint Fire, Ashland County

Statement of Activities - Cash Basis

For the Period Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
Public Safety	\$ 113,259	\$ 8,601	\$ 6,100	\$ (98,558)
<i>Total Governmental Activities</i>	113,259	8,601	6,100	(98,558)
General Receipts:				
Property Taxes and Other Taxes				123,676
Grants and Entitlements not Restricted to Specific Programs				76,092
Interest				169
Miscellaneous				8,290
<i>Total General Receipts</i>				208,227
Change in Net Assets				109,669
<i>Net Assets Beginning of Period</i>				-
<i>Net Assets End of Period</i>				\$ 109,669

See accompanying notes to the basic financial statements

Green-Perrysville Joint Fire, Ashland County

Statement of Cash Basis Assets and Fund Balances

Governmental Funds

December 31, 2008

	<u>General Fund</u>	<u>Fireman's Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 66,729	\$ 42,327	\$ 613	\$ 109,669
<i>Total Assets</i>	<u>\$ 66,729</u>	<u>\$ 42,327</u>	<u>\$ 613</u>	<u>\$ 109,669</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$ 2,616	\$ 17	\$ -	\$ 2,633
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	64,113	-	-	64,113
Special Revenue Funds	-	42,310	613	42,923
<i>Total Fund Balances</i>	<u>\$ 66,729</u>	<u>\$ 42,327</u>	<u>\$ 613</u>	<u>\$ 109,669</u>

See accompanying notes to the basic financial statements

Green-Perryville Joint Fire, Ashland County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Period Ended December 31, 2008

	General Fund	Fireman's Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$ 123,676	-	-	\$ 123,676
Charges for Services	7,412	-	-	7,412
Licenses, Permits and Fees	-	-	\$ 1,189	1,189
Intergovernmental	44,993	\$ 37,199	-	82,192
Interest	169	-	-	169
Miscellaneous	1,920	6,370	-	8,290
<i>Total Receipts</i>	<u>178,170</u>	<u>43,569</u>	<u>1,189</u>	<u>222,928</u>
Disbursements				
Current:				
Public Safety	111,441	1,242	576	113,259
<i>Total Disbursements</i>	<u>111,441</u>	<u>1,242</u>	<u>576</u>	<u>113,259</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	66,729	42,327	613	109,669
<i>Fund Balances Beginning of Period</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances End of Period</i>	<u>\$ 66,729</u>	<u>\$ 42,327</u>	<u>\$ 613</u>	<u>\$ 109,669</u>

See accompanying notes to the basic financial statements

Green-Perrysville Joint Fire, Ashland County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 General Fund
 For the Period Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 103,392	\$ 103,392	\$ 123,676	\$ 20,284
Charges for Services	6,750	6,750	7,412	662
Intergovernmental	5,442	43,835	44,993	1,158
Interest	-	50	169	119
Miscellaneous	-	-	1,920	1,920
<i>Total receipts</i>	<u>115,584</u>	<u>154,027</u>	<u>178,170</u>	<u>24,143</u>
Disbursements				
Current:				
Public Safety	114,963	153,356	114,057	39,299
<i>Total Disbursements</i>	<u>114,963</u>	<u>153,356</u>	<u>114,057</u>	<u>39,299</u>
<i>Net Change in Fund Balance</i>	621	671	64,113	63,442
<i>Fund Balance Beginning of Period</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Period</i>	<u>\$ 621</u>	<u>\$ 671</u>	<u>\$ 64,113</u>	<u>\$ 63,442</u>

See accompanying notes to the basic financial statements

Green-Perrysville Joint Fire, Ashland County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fireman's Fund
For the Period Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 37,199	\$ 37,199	\$ 37,199	\$ -
Miscellaneous	-	-	6,370	6,370
<i>Total receipts</i>	<u>37,199</u>	<u>37,199</u>	<u>43,569</u>	<u>6,370</u>
Disbursements				
Current:				
Public Safety	<u>37,199</u>	<u>37,199</u>	<u>1,259</u>	<u>35,940</u>
<i>Total Disbursements</i>	<u>37,199</u>	<u>37,199</u>	<u>1,259</u>	<u>35,940</u>
<i>Net Change in Fund Balance</i>	-	-	42,310	42,310
<i>Fund Balance Beginning of Period</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Period</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,310</u>	<u>\$ 42,310</u>

See accompanying notes to the basic financial statements

Green-Perrysville Joint Fire District
Ashland County
Notes to the Financial Statements
For the Period Ended December 31, 2008

Note 1 – Reporting Entity

The Green Perrysville Joint Fire District, Ashland County, Ohio, is a body politic and corporate established in April of 2008 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Fire District is directed by an appointed five-member Board of Trustees. The Fire District also has an appointed Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Fire District. The Fire District provides fire and emergency medical services.

B. Component Units

Component units are legally separate organizations for which the Fire District is financially accountable. The Fire District is financially accountable for an organization if the Fire District appoints a voting majority of the organization's governing board and (1) the Fire District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Fire District is legally entitled to or can otherwise access the organization's resources; the Fire District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Fire District is obligated for the debt of the organization. The Fire District is also financially accountable for any organizations that are fiscally dependent on the Fire District in that the Fire District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Fire District, are accessible to the Fire District and are significant in amount to the Fire District. The Fire District has no component units.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Fire District does not apply FASB statements issued after November 30, 1989, to its government-wide statements. Following are the more significant of the Fire District's accounting policies.

A. Basis of Presentation

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

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Fire District as a whole. These statements include the financial activities of the primary government. All activities of the Fire District are Governmental activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Fire District does not currently have any business-type activities.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

The Fire District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Fire District has two major governmental funds. They are General Fund and Fireman's Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Fire District for any purpose provided it is expended or transferred according to the general laws of Ohio. The Fireman's Fund is used for fire protection equipment purchases.

The other governmental funds of the Fire District account for grants and other resources whose use is restricted to a particular purpose.

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Fire District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Fire District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Fire District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

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

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

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

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

E. Cash and Investments

Fire District records identify the purchase of specific investments by specific funds.

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Green-Perrysville Joint Fire District
Ashland County
Notes to the Financial Statements
For the Period Ended December 31, 2008

Note 2 – Summary of Significant Accounting Policies (continued)

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2008, the Fire District had no investments.

Interest earnings are allocated to Fire District funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2008 was \$169.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Fire District did not have any restricted assets.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Receivables/Payables

The Fire District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying basic financial statements.

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Fire District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

L. Long-Term Obligations

The Fire District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Note 2 – Summary of Significant Accounting Policies (continued)

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

N. Fund Balance Reserves

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

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for major funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$2,616 for the General Fund and \$17 in the Fireman's Fund.

Note 4 – Deposits and Investments

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

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

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

Green-Perrysville Joint Fire District
Ashland County
Notes to the Financial Statements
For the Period Ended December 31, 2008

Note 4 - Deposits and Investments (continued)

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

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

1. Certificates of Deposit
2. The State Treasurer's investment pool (STAR Ohio).

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

At year end, the Fire District did not have undeposited cash on hand.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Fire District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$9,669 of the Fire District's bank balance of \$109,669 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Fire District's name.

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

Investments

As of December 31, 2008, the Fire District did not have any investments.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Fire District. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property other than public utility property is for 2008 taxes.

2008 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009 operations.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Green-Perrysville Joint Fire District
Ashland County
Notes to the Financial Statements
For the Period Ended December 31, 2008

Note 5 – Property Taxes (continued)

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Fire District operations for the period ended December 31, 2008, was \$2.00 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$	41,287,410
Public Utility Property		9,230,910
Tangible Personal Property		2,053,030
Total Assessed Values	\$	52,571,350

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Fire District. The County Auditor periodically remits to the Fire District its portion of the taxes collected.

Note 6 – Risk Management

The Fire District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008, the Fire District contracted with one insurance company for insurance coverage. Coverage provided is as follows:

Company	Type of Coverage	Amount of Coverage
Whitaker-Myers Insurance	Commercial Property	\$ 1,170,000
	General Liability	1,000,000
	Commercial Crime	5,000
	Inland Marine	83,500
	Vehicle	999,940
	Public Officials	1,000,000

The Fire District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Fire District does not supply health insurance to its employees or members.

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

Plan Description - The Fire District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the period ended December 31, 2008, members in state and local classifications contributed 14 percent of covered payroll and public safety members contributed 17.4 percent.

The Fire District's contribution rate for 2008 was 14 percent. For 2008, a portion of the Fire District's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment healthcare plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Fire District of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The Fire District's required contributions for pension obligations to the traditional and combined plans for the period ended December 31, 2008 was \$410. The full amount has been contributed for 2008.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Green-Perrysville Joint Fire District
Ashland County
Notes to the Financial Statements
For the Period Ended December 31, 2008

Note 8 - Postemployment Benefits (continued)

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The District's contributions allocated to fund postemployment healthcare benefits for the period ended December 31, 2008 was \$205. 100 percent has been contributed for 2008.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

Note 9 – Leases

The Fire District leases a vehicle under a noncancelable lease. The Fire District disbursed \$25,761 to pay lease costs for the period ended December 31, 2008. Future lease payments are as follows:

Year	Amount
2009	\$ 25,761
2010	25,761
2011	25,761
2012	25,761
2013	25,761
Total	<u>\$ 128,805</u>

Note 10 – Interfund Transfers

During 2008 the Fire District did not make any Interfund Transfers.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

**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**

Green-Perrysville Joint Fire District
Ashland County
P.O. Box 270
Loudonville, OH 44842

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Green-Perrysville Joint Fire District, Ashland County Ohio (District) as of and for the period ended December 31, 2008 and have issued our report thereon dated May 27, 2009, wherein we noted the District followed the cash basis of accounting rather than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance the cash basis of accounting such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

Compliance and Other Matters

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, grants agreements and other matters, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the District in a separate letter dated May 27, 2009.

This report is intended for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.

May 27, 2009



Mary Taylor, CPA
Auditor of State

GREEN-PERRYSVILLE JOINT FIRE DISTRICT

ASHLAND 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 16, 2009**