



**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT  
CLINTON COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

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OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Clinton-Warren Joint Fire and Rescue District  
82 Springhill Road  
Clarksville, Ohio 45113

We have reviewed the *Independent Auditor's Report* of the Clinton-Warren Joint Fire and Rescue District, Clinton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. 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 Clinton-Warren Joint Fire and Rescue District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio  
December 11, 2020]

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**CLINTON – WARREN JOINT FIRE & RESCUE DISTRICT  
CLINTON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

October 15, 2020

Clinton-Warren Joint Fire & Rescue District  
Clinton County  
82 Springhill Road  
Clarksville, Ohio 45113

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Clinton-Warren Joint Fire & Rescue District**, Clinton County, Ohio, (the District) as of and for the years ended December 31, 2019 and 2018.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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* paragraph, the financial statements referred to above 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, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Clinton-Warren Joint Fire & Rescue District, Clinton County as of December 31, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matters***

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**CLINTON - WARREN JOINT FIRE & RESCUE DISTRICT**

*Clinton County*

*Combined Statement of Receipts, Disbursements and*

*Changes In Fund Balances (Regulatory Cash Basis)*

*All Governmental Fund Types*

*For the Year Ended December 31, 2019*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 380,732	\$ -	\$ 380,732
Charges for Services	6,910	187,980	194,890
Intergovernmental	57,933	594,384	652,317
Grant Revenue	19,000	-	19,000
Donations/Fundraising	31,970	-	31,970
Miscellaneous	3,409	566	3,975
<i>Total Cash Receipts</i>	<u>499,954</u>	<u>782,930</u>	<u>1,282,884</u>
<b>Cash Disbursements</b>			
Current Disbursements:			
Security of Persons and Property:			
Salaries	51,260	286,323	337,583
Materials and Supplies	90,506	269	90,775
Equipment	15,086	588,514	603,600
Other	81,485	18,992	100,477
Debt Service:			
Principal Retirement	125,744	-	125,744
Interest and Fiscal Charges	47,586	-	47,586
<i>Total Cash Disbursements</i>	<u>411,667</u>	<u>894,098</u>	<u>1,305,765</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>88,287</u>	<u>(111,168)</u>	<u>(22,881)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	-	150,000	150,000
Transfers Out	(150,000)	-	(150,000)
Advances In	6,000	-	6,000
Advances Out	-	(6,000)	(6,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(144,000)</u>	<u>144,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balance</i>	<u>(55,713)</u>	<u>32,832</u>	<u>(22,881)</u>
<i>Fund Cash Balances, January 1</i>	<u>186,290</u>	<u>27,780</u>	<u>214,070</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	60,612	60,612
Assigned	15,721	-	15,721
Unassigned	114,856	-	114,856
<i>Fund Cash Balances, December 31</i>	<u>\$ 130,577</u>	<u>\$ 60,612</u>	<u>\$ 191,189</u>

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

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Clinton-Warren Joint Fire and Rescue District, Clinton County, (the District) as a body corporate and politic. A five-member Board of Trustees governs the District. The Board consists of one member from each of the political subdivisions within the District. Those subdivisions are the Village of Clarksville; Vernon Township, Clinton County; Adams Township, Clinton County; and Washington Township, Warren County. Each year, a member-at-large is appointed by one political subdivision within the District. The authority to appoint the member-at-large is rotated annually between the political subdivisions within the District. The District provides fire protection and rescue services within the District.

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

**Note 2 - Summary of Significant Accounting Policies**

***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 which is organized on a fund type basis.

***Fund Accounting***

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

***EMS & Fire Billing Fund*** - This fund accounts for the EMS & Fire billing and service contract activity.

***Training Tower Fund*** – This fund accounts for monies received to construct a fire training tower and classroom.

***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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 (D) permit.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 - 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 Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must 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.

A summary of 2019 budgetary activity appears in Note 3.

***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.

***Capital Assets***

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

***Fund Balance***

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 governmental-fund resources. 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*** Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend 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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT

Clinton County

Notes to the Financial Statements

For the Year Ended December 31, 2019

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Fund Balance (Continued)**

**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.

The District applies restricted resources first when expenditures 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 expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 505,954	\$ 499,954	\$ (6,000)
Special Revenue	941,317	932,930	(8,387)
Total	<u>\$ 1,447,271</u>	<u>\$ 1,432,884</u>	<u>\$ (14,387)</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 617,702	\$ 577,388	\$ 40,314
Special Revenue	920,319	896,942	23,377
Total	<u>\$ 1,538,021</u>	<u>\$ 1,474,330</u>	<u>\$ 63,691</u>

**Note 4 – Deposits**

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

	2019
Demand Deposits	<u>\$ 191,189</u>
Total Deposits	<u>\$ 191,189</u>

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback 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 6 - Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The 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 (if material).

***Commercial Insurance***

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Accident and sickness; and
- Errors and Omissions.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The District's 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, 2019.

***Social Security***

Some of the District's 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, 2019.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple healthcare plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to healthcare for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4 percent during calendar year 2019.

**Note 9 – Debt**

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Building	\$ 896,776	3.50%
2014 CAT Tanker	109,573	3.79%
2016 Pumper/Tanker	208,298	2.83%
SCBAs	67,902	3.79%
Total	<u>\$ 1,282,549</u>	

The District entered into a Renewable Lease-Purchase agreement for the construction and use of a new fire station. The agreement was dated October 1, 2005 and is between the District, as the lessee, and Ohio Township Association Leasing, as the initial lessor. The Lessor subsequently assigned all rights, title and interest to the Bank of New York Trust Company as the trustee. The Lease-Purchase agreement and the financing by the lessor of the project is a part of a financing program utilizing Certificates of Participation, Series 2005E, which were issued simultaneously with the agreement. These obligations are issued under the authority of Chapter 505 of the Ohio Revised Code, particularly Sections 505.267 and 505.375. The total principal payments due on the Lease-Purchase agreement for the construction and use of the new fire station as of December 31, 2005 totaled \$1,245,000. Construction of the fire station was complete in 2007. The debt was refinanced in December 2017 and the original Lease-Purchase agreement was paid off in full in January 2018. The new trustee is Zion's Bank.

On January 8, 2014, the District entered a lease-purchase agreement with Republic First National Corporation for the use and acquisition of a 2014 Tanker.

On September 1, 2016, the District entered a lease-purchase agreement with Republic First National Corporation for the use and acquisition of a new pumper/tanks that was delivered in 2018.

On June 25, 2018, the District entered a lease-purchase agreement with Community First National Bank for the use and acquisition of twenty new Scott SCBAs, 40 cylinders and related equipment.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 9 – Debt (Continued)**

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

	Building	2014 Tanker	2016 Pumper	SCBAs
2020	\$ 73,377	\$ 30,071	\$ 33,224	\$ 35,898
2021	73,645	30,071	33,224	35,898
2022	73,783	30,071	33,224	-
2023	73,833	30,071	33,224	-
2024	73,793	-	33,224	-
2025-2029	366,946	-	66,448	-
2030-2034	367,662	-	-	-
2035	73,452	-	-	-
Total	<u>\$ 1,176,491</u>	<u>\$ 120,284</u>	<u>\$ 232,568</u>	<u>\$ 71,796</u>

**Debt Service Trust Funds**

The fire station construction lease-purchase trust agreement required the District to establish a debt service fund to be maintained by a custodian bank. The District has established this fund. At December 31, 2019, the custodian held \$896,776 in District assets. The accompanying financial statements do not include these assets or the related receipts and disbursements.

**Note 10 – Construction and Contractual Commitments**

On July 12, 2018, the District entered into a Joint Use Agreement with Southern State Community College (the College) for the construction of classroom and storage spaces, along with possible flashover and/or grain bin simulators at a cost of \$600,000 appropriated to the College for the project by the 131<sup>st</sup> General Assembly in H.B. 529. The District will be the owner of the constructed classrooms and any simulators. At December 31, 2019, the construction of the classroom was complete with the exception of tying the phone/internet lines together between the fire station and the classroom building.

**Note 11 – Contingent Liabilities**

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

**Note 12 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**CLINTON - WARREN JOINT FIRE & RESCUE DISTRICT**

*Clinton County*

*Combined Statement of Receipts, Disbursements and*

*Changes In Fund Balances (Regulatory Cash Basis)*

*All Governmental Fund Types*

*For the Year Ended December 31, 2018*

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 379,548	\$ -	\$ 379,548
Charges for Services	4,130	149,706	153,836
Intergovernmental	57,626	406,101	463,727
Grant Revenue	20,000	-	20,000
Donations/Fundraising	3,802	-	3,802
Miscellaneous	2,314	-	2,314
<i>Total Cash Receipts</i>	<u>467,420</u>	<u>555,807</u>	<u>1,023,227</u>
<b>Cash Disbursements</b>			
Current Disbursements:			
Security of Persons and Property:			
Salaries	48,821	265,462	314,283
Materials and Supplies	65,057	4,468	69,525
Equipment	577,546	411,795	989,341
Other	104,721	18,261	122,982
Debt Service:			
Principal Retirement	1,030,686	-	1,030,686
Interest and Fiscal Charges	45,356	-	45,356
<i>Total Cash Disbursements</i>	<u>1,872,187</u>	<u>699,986</u>	<u>2,572,173</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>(1,404,767)</u>	<u>(144,179)</u>	<u>(1,548,946)</u>
<b>Other Financing Receipts</b>			
Sale of Capitals Assets	300	-	300
Proceeds of Debt	100,000	-	100,000
Transfers In	-	156,000	156,000
Transfers Out	(156,000)	-	(156,000)
Other Financing Sources	3,973	-	3,973
<i>Total Other Financing Receipts</i>	<u>(51,727)</u>	<u>156,000</u>	<u>104,273</u>
<i>Net Change in Fund Cash Balance</i>	<u>(1,456,494)</u>	<u>11,821</u>	<u>(1,444,673)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,642,784</u>	<u>15,959</u>	<u>1,658,743</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	27,780	27,780
Assigned	141,196	-	141,196
Unassigned	45,094	-	45,094
<i>Fund Cash Balances, December 31</i>	<u>\$ 186,290</u>	<u>\$ 27,780</u>	<u>\$ 214,070</u>

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



**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Clinton-Warren Joint Fire and Rescue District, Clinton County, (the District) as a body corporate and politic. A five-member Board of Trustees governs the District. The Board consists of one member from each of the political subdivisions within the District. Those subdivisions are the Village of Clarksville; Vernon Township, Clinton County; Adams Township, Clinton County; and Washington Township, Warren County. Each year, a member-at-large is appointed by one political subdivision within the District. The authority to appoint the member-at-large is rotated annually between the political subdivisions within the District. The District provides fire protection and rescue services within the District.

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

**Note 2 - Summary of Significant Accounting Policies**

***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 which is organized on a fund type basis.

***Fund Accounting***

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

***EMS & Fire Billing Fund*** - This fund accounts for the EMS & Fire billing and service contract activity.

***Training Tower Fund*** – This fund accounts for monies received to construct a fire training tower and classroom.

***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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 (D) permit.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 - 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 Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must 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.

A summary of 2018 budgetary activity appears in Note 3.

***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.

***Capital Assets***

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

***Fund Balance***

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 governmental-fund resources. 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*** Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend 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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2018*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

***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.

The District applies restricted resources first when expenditures 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 expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 571,693	\$ 571,693	\$ -
Special Revenue	728,308	711,807	(16,501)
Total	<u>\$ 1,300,001</u>	<u>\$ 1,283,500</u>	<u>\$ (16,501)</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,040,476	\$ 2,051,376	\$ (10,900)
Special Revenue	730,002	702,455	27,547
Total	<u>\$ 2,770,478</u>	<u>\$ 2,753,831</u>	<u>\$ 16,647</u>

**Note 4 – Deposits**

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

	2018
Demand Deposits	\$ 214,070
Total Deposits	<u>\$ 214,070</u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback 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 6 – Interfund Balances**

***Advances***

Outstanding advances at December 31, 2018, consisted of \$6,000 advanced to the Training Tower Fund from the General Fund to provide working capital for projects.

**Note 7 - Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The 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 (if material).

***Commercial Insurance***

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Accident and sickness; and
- Errors and Omissions.

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The District's 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, 2018.

***Social Security***

Some of the District's 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, 2018.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2018*

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**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple healthcare plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to healthcare for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4 percent during calendar year 2018.

**Note 10 – Debt**

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Building	\$ 938,943	3.50%
2014 CAT Tanker	134,482	3.79%
2016 Pumper/Tanker	234,868	2.83%
SCBAs	100,000	3.79%
Total	<u>\$ 1,408,293</u>	

The District entered into a Renewable Lease-Purchase agreement for the construction and use of a new fire station. The agreement was dated October 1, 2005 and is between the District, as the lessee, and Ohio Township Association Leasing, as the initial lessor. The Lessor subsequently assigned all rights, title and interest to the Bank of New York Trust Company as the trustee. The Lease-Purchase agreement and the financing by the lessor of the project is a part of a financing program utilizing Certificates of Participation, Series 2005E, which were issued simultaneously with the agreement. These obligations are issued under the authority of Chapter 505 of the Ohio Revised Code, particularly Sections 505.267 and 505.375. The total principal payments due on the Lease-Purchase agreement for the construction and use of the new fire station as of December 31, 2005 totaled \$1,245,000. Construction of the fire station was complete in 2007. The debt was refinanced in December 2017 and the original Lease-Purchase agreement was paid off in full in January 2018. The new trustee is Zion's Bank. The balance at December 31, 2017 was incorrectly stated in the prior audit report as \$1,913,950 and should have been stated as \$1,919,803.

On January 8, 2014, the District entered a lease-purchase agreement with Republic First National Corporation for the use and acquisition of a 2014 Tanker.

On September 1, 2016, the District entered a lease-purchase agreement with Republic First National Corporation for the use and acquisition of a new pumper/tanks that was delivered in 2018. The balance at December 31, 2017 was incorrectly stated in the prior audit report as \$263,427 and should have been stated as \$260,704.

On June 25, 2018, the District entered a lease-purchase agreement with Community First National Bank for the use and acquisition of twenty new Scott SCBAs, 40 cylinders and related equipment.

**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 10 – Debt (Continued)**

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

	Building	2014 Tanker	2016 Pumper	SCBAs
2019	\$ 73,997	\$ 30,071	\$ 33,224	\$ 35,898
2020	73,377	30,071	33,224	35,898
2021	73,645	30,071	33,224	35,898
2022	73,783	30,071	33,224	-
2023	73,833	30,071	33,224	-
2024-2028	367,657	-	99,674	-
2029-2033	366,798	-	-	-
2034-2035	147,398	-	-	-
Total	<u>\$ 1,250,488</u>	<u>\$ 150,355</u>	<u>\$ 265,794</u>	<u>\$ 107,694</u>

**Debt Service Trust Funds**

The fire station construction lease-purchase trust agreement required the District to establish a debt service fund to be maintained by a custodian bank. The District has established this fund. At December 31, 2018, the custodian held \$939,164 in District assets. The accompanying financial statements do not include these assets or the related receipts and disbursements.

**Note 11 – Construction and Contractual Commitments**

On July 12, 2018, the District entered into a Joint Use Agreement with Southern State Community College (the College) for the construction of classroom and storage spaces, along with possible flashover and/or grain bin simulators at a cost of \$600,000 appropriated to the College for the project by the 131<sup>st</sup> General Assembly in H.B. 529. The District will be the owner of the constructed classrooms and any simulators.

**Note 12 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**Note 13 – Contingent Liabilities**

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

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

October 15, 2020

Clinton-Warren Joint Fire & Rescue District  
Clinton County  
82 Springhill Road  
Clarksville, Ohio 45113

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of **Clinton-Warren Joint Fire & Rescue District**, Clinton County, (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated October 15, 2020, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



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**CLINTON-WARREN JOINT FIRE & RESCUE DISTRICT  
CLINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Disbursements and Fund Balances	Corrected	N/A
2017-002	Budgetary Controls	Partially Corrected	Repeated in Management Letter
2017-003	Ohio Revised Code Section 145.47	Not Corrected	Repeated in Management Letter
2017-004	Notes to the Financial Statements	Corrected	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**CLINTON-WARREN JOINT FIRE AND RESCUE DISTRICT**

**CLINTON 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 12/24/2020**

88 East Broad 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)