



**CENTRAL TOWNSHIP FIRE DEPARTMENT  
MADISON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**



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

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**STATE OF OHIO**



**CENTRAL TOWNSHIP FIRE DEPARTMENT  
MADISON COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Central Township Fire Department  
Madison County  
8695 State Route 56SE  
Mt. Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of Central Township Fire Department, Madison County, Ohio, (the Department) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Department prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Department, as of December 31, 2001 and December 31, 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2002 on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 19, 2002

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**CENTRAL TOWNSHIP FIRE DEPARTMENT  
MADISON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR'S ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000**

	<u>2001</u>	<u>2000</u>
<b>Cash Receipts:</b>		
Intergovernmental	500	0
Charges for Services	150,079	145,337
Interest	11,061	13,040
Other Revenue	<u>273</u>	<u>2,059</u>
Total Cash Receipts	<u>161,913</u>	<u>160,436</u>
<b>Cash Disbursements:</b>		
Current:		
Salaries & Volunteers	14,620	13,548
Maintenance & Supplies	34,659	29,643
Fire Equipment	97,975	22,672
Fuel/Utilities	14,521	11,884
Capital Outlay	995	0
Miscellaneous	18,013	18,460
Total Disbursements	<u>180,783</u>	<u>96,207</u>
Total Receipts Over/(Under) Disbursements	(18,870)	64,229
Cash Balances, January 1	<u>316,955</u>	252,726
<b>Cash Balances, December 31</b>	<b><u><u>\$298,085</u></u></b>	<b><u><u>\$316,955</u></u></b>

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

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**CENTRAL TOWNSHIP FIRE DEPARTMENT  
MADISON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Central Township Fire Department, Madison County, (the Department) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Department is directed by an appointed twelve member Board of Trustees consisting of the elected Trustees from each participating township. The participating townships include Deercreek, Union, Oak Run and Paint Townships. The Department provides fire protection and rescue services within the member townships and by contract to areas outside the member townships.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit are valued at cost. 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 the sale are recorded as receipts or disbursements, respectively.

**D. Property, Plant and Equipment**

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

**E. Budgetary**

The Department Trustees adopt an annual appropriation resolution which dictates the Department's spending limitations.

**CENTRAL TOWNSHIP FIRE DEPARTMENT  
MADISON COUNTY**

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

**2. EQUITY IN CASH AND INVESTMENTS**

The Department maintains a cash and investments in a local depository. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$ 192,614	\$ 213,807
Certificates of deposit	<u>105,471</u>	<u>103,148</u>
Total deposits and investments	<u><u>298,085</u></u>	<u><u>316,955</u></u>

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Department.

**3. BUDGETARY ACTIVITY**

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$364,021</u>	<u>\$180,783</u>	<u>\$183,238</u>
Total	<u><u>\$364,021</u></u>	<u><u>\$180,783</u></u>	<u><u>\$183,238</u></u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$134,021</u>	<u>\$96,207</u>	<u>\$37,814</u>
Total	<u><u>\$134,021</u></u>	<u><u>\$96,207</u></u>	<u><u>\$37,814</u></u>

**4. CONTRACT**

The Department purchased a custom made Rescue Pumper in 2001 for \$309,997 from Sutphen Corporation. The Department was required to pay a quarter down or \$77,499 in 2001, as a mutual price protective measure. Upon receipt of the pumper, which will be between June and September of 2002, the Department is required to pay the balance of the purchase price which is \$232,498.

**5. RISK MANAGEMENT**

The Department has obtained commercial insurance for the following risks:

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



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

Central Township Fire Department  
Madison County  
8695 State Route 56 SE  
Mt. Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of Central Township Fire Department, Madison County, Ohio (the Department), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated March 19, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Central Township Fire Department  
Madison County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

March 19, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**CENTRAL TOWNSHIP FIRE DEPARTMENT**

**MADISON 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  
MAY 9, 2002**