

**JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

**Long, Cook & Samsa, Inc.**

**CERTIFIED PUBLIC ACCOUNTANTS**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Jeromesville Community Fire District  
P.O. Box 414  
Jeromesville, Ohio 44840

We have reviewed the Independent Auditor's Report of the Jeromesville Community Fire District, Ashland County, prepared by Long, Cook & Samsa, Inc., for the audit period January 1, 2002 through December 31, 2003. 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 Jeromesville Community Fire District is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

June 25, 2004

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**JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT**

Jeromesville Community Fire District  
Ashland County  
P.O. Box 414  
Jeromesville, Ohio 44840

To the Board of Trustees:

We have audited the accompanying financial statements of the Jeromesville Community Fire District, Ashland County, Ohio, (the District) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances and reserves for encumbrances of the District as of December 31, 2003 and 2002, 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 May 20, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

**Long, Cook & Samsa, Inc.**

May 20, 2004

**JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<b>2003</b>	<b>2002</b>
<b>Cash Receipts:</b>		
Local taxes	\$98,904	\$98,930
Intergovernmental	62,284	12,381
Contracts	4,900	3,650
Charges for services	3,573	2,910
Interest income	302	1,239
Donations	1,070	820
Miscellaneous	1,380	491
	172,413	120,421
<b>Total cash receipts</b>		
<b>Cash Disbursements:</b>		
Building and equipment	56,661	141,481
Notes - principal	39,417	28,817
Tools and equipment	18,290	14,146
Insurance	12,084	10,074
Miscellaneous	6,471	10,007
Notes - interest	6,465	7,254
Utilities	6,917	5,871
Maintenance	5,805	4,277
Supplies	4,674	3,424
Salaries and benefits	3,658	3,495
Contracts	1,700	612
	162,142	229,458
<b>Total cash disbursements</b>		
Excess of receipts over/(under) disbursements	10,271	(109,037)
<b>Other Financing Receipts:</b>		
Note proceeds		106,000
Net receipts over/(under) disbursements	10,271	(3,037)
Fund Cash Balances, January 1	39,304	42,341
<b>Fund Cash Balances, December 31</b>	<b>\$49,575</b>	<b>\$39,304</b>
Reserve for Encumbrances, December 31	\$867	\$4,046

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



**JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Jeromesville Community Fire District, Ashland County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District serves three political subdivisions consisting of Plain Township, Lake Township, and Jeromesville Village, which includes Mohican and Perry Townships. The Board of Trustees consists of three members, one member from each of the following: Mohican Township, Perry Township and Jeromesville Village. The principal purpose of the District is to pool the mutual resources and abilities of the member subdivisions and thereby provide adequate and responsible fire protection and emergency medical services (EMS) for the subdivisions.

The District has five part-time employees and uses volunteers to provide most of the fire protection and EMS services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

The District has no investments. The District maintains all cash in one checking account.

**D. Budgetary Process**

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

**1. Appropriations**

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

**JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**D. Budgetary Process (Continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

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

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**E. Property, Plant and Equipment**

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

**2. CASH**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2003</u>	<u>2002</u>
Checking account deposits	\$49,575	\$39,304

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

**JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2003 and 2002, follows:

2003 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$120,703	\$172,413	\$51,710

2003 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$208,067	\$163,009	\$45,058

2002 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$117,892	\$226,421	\$108,529

2002 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$266,323	\$233,504	\$32,819

Contrary to Ohio Rev. Code Section 5705.41(D), the District did not certify the availability of funds for certain expenditures prior to incurring the obligation.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**JEROMESVILLE COMMUNITY FIRE DISTRICT  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**5. LONG-TERM DEBT**

Long-term debt consists of the following at December 31, 2003 and 2002

	2003	2002
Installment note payable to National City Bank to construct an addition to the Fire Department Building, payable in semi-annual installments of \$9,108.40 plus interest at 5.25%, due May 15, 2007, unsecured but a general obligation of the District.	\$ 54,650	\$ 72,867
Installment note payable to National City Bank to purchase a 2002 International Fire Engine, payable in semi-annual installments of \$10,600 plus interest at 3.56% per annum, due March 15, 2007, collateralized by the International Fire Engine.	74,200	95,400

The maturities of the long-term debt for each of the four years subsequent to December 31, 2003, are as follows:

	Building Note	Truck Note
Year ending December 31:		
2004	\$18,217	\$21,200
2005	18,217	21,200
2006	18,216	21,200
2007	-	10,600
Total	\$54,650	\$74,200

**6. RETIREMENT SYSTEMS**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. OPERS member employees contributed 8.5% of their gross salaries for 2003 and 2002. The District contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2003. The District has paid all contributions required through December 31, 2003.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles and equipment; and
- Public officials' liability

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

Jeromesville Community Fire District  
Ashland County  
P.O. Box 414  
Jeromesville, Ohio 44840

To the Board of Trustees:

We have audited the financial statements of the Jeromesville Community Fire District, Ashland County, Ohio, (the District) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 20, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted other immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated May 20, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated May 20, 2004.

Jeromesville Community Fire District  
Ashland County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended solely 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.

**Long, Cook & Samsa, Inc.**

May 20, 2004



**Auditor of State  
Betty Montgomery**

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**JEROMESVILLE COMMUNITY 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 20, 2004**