



**AVR FIRE DISTRICT  
SENECA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



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

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**STATE OF OHIO**



AVR FIRE DISTRICT  
SENECA COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

AVR Fire District  
Seneca County  
221 South Main Street  
P.O. Box 466  
Attica, Ohio 44807-0466

To the Board of Trustees:

We have audited the accompanying financial statements of AVR Fire District, Seneca County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999. 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 audits in accordance with generally accepted auditing standards 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 audits 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 audits provide 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, 2000 and 1999, 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 February 23, 2001 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, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

February 23, 2001

**AVR FIRE DISTRICT  
SENECA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000 AND 1999**

	<b>Governmental Fund Type</b>	
	<b>2000 General</b>	<b>1999 General</b>
<b>Cash Receipts:</b>		
Local Taxes	\$46,975	\$49,162
Intergovernmental	17,557	12,186
Charges for Services	2,400	3,000
Earnings on Investments	737	677
Miscellaneous	55	1,153
	<u>67,724</u>	<u>66,178</u>
<b>Total Cash Receipts</b>	<u>67,724</u>	<u>66,178</u>
<b>Cash Disbursements:</b>		
Current:		
Security of Persons and Property	32,396	25,815
General Government	4,002	7,058
Other	4,347	3,078
Debt Service:		
Redemption of Principal	5,977	5,632
Interest	892	1,237
Capital Outlay	15,644	11,162
	<u>63,258</u>	<u>53,982</u>
<b>Total Disbursements</b>	<u>63,258</u>	<u>53,982</u>
<b>Total Receipts Over Disbursements</b>	4,466	12,196
<b>Other Financing Receipts:</b>		
Sale of Fixed Assets		6,016
		<u>6,016</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements</b>	4,466	18,212
<b>Fund Cash Balances, January 1</b>	<u>37,589</u>	<u>19,377</u>
<b>Fund Cash Balances, December 31</b>	<u>\$42,055</u>	<u>\$37,589</u>
<b>Reserves for Encumbrances, December 31</b>	<u>\$22,155</u>	<u>\$19,100</u>

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

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**AVR FIRE DISTRICT  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

AVR Fire District, Seneca County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an appointed three-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are, Attica Village, Venice Township and Reed Township. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

**B. Basis of Accounting**

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

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

**C. Cash**

The District has an interest-bearing checking account. The District did not have any investments during the audit period.

**D. Fund Accounting**

The District uses fund accounting to segregate cash that is restricted as to use. The District classifies its fund into the following type:

**General Fund**

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

**E. Budgetary Process**

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

**1. Appropriations**

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

**AVR FIRE DISTRICT  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. 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 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 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH**

The District maintains a cash pool. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<b>2000</b>	<b>1999</b>
Demand deposits	\$42,055	\$37,589

Deposits are insured by the Federal Depository Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$70,465	\$67,724	(\$2,741)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$107,804	\$85,413	\$22,391

**AVR FIRE DISTRICT  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$68,453</u>	<u>\$72,194</u>	<u>\$3,741</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$83,540</u>	<u>\$73,082</u>	<u>\$10,458</u>

The District did not certify expenditures as required by Ohio Revised Code § 5705.41(D).

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Loan	<u>\$13,207</u>	5%

The loan was received to pay for a 1998 fire truck.

**AVR FIRE DISTRICT  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

Year ending December 31:	Loan
2001	\$6,869
2002	6,869
Total	<u>\$13,738</u>

**6. RETIREMENT SYSTEMS**

**A. Public Employees Retirement System**

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

PERS members contribute 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2000.

**B. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the Public Employees Retirement System have an option to choose social security or Public Employees Retirement System. As of December 31, 2000, nineteen employees elected social security. The employee's liability is 6.2 percent of wages paid.

**7. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

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



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

AVR Fire District  
Seneca County  
221 South Main Street  
P.O. Box 466  
Attica, Ohio 44807-0466

To the Board of Trustees:

We have audited the accompanying financial statements of AVR Fire District, Seneca County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 23, 2001. We conducted our audits in accordance with generally accepted auditing standards 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-30574-001.

### 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.

AVR Fire District  
Seneca County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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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

February 23, 2001

**AVR FIRE DISTRICT  
SENECA COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

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

**FINDING NUMBER 2000-30574-001**

**Noncompliance Citation**

Ohio Revised Code § 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking certification should be null and void.

The Clerk utilizes purchase orders and encumbers funds based on those purchase orders, however, he does not provide a certification as required. One hundred percent of the purchase orders tested did not contain certification.

To improve controls over disbursements, we recommend all disbursements receive certification of the fiscal officer that the funds are or will be available.







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**AVR FIRE DISTRICT**

**SENECA 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  
MARCH 15, 2001**