



**LOWELL-ADAMS JOINT FIRE DISTRICT
WASHINGTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

LOWELL-ADAMS JOINT FIRE DISTRICT
WASHINGTON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Lowell-Adams Joint Fire District
Washington County
P.O. Box 100
Lowell, Ohio 45744

To the Board of Trustees:

We have audited the accompanying financial statements of the Lowell-Adams Joint Fire District, Washington 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 audit 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 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 fund cash balances of the Lowell-Adams Joint Fire District, Washington County, 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 March 9, 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 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

March 9, 2001

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**LOWELL-ADAMS JOINT FIRE DISTRICT
WASHINGTON COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Local Taxes	\$ 18,680	\$	\$ 18,680
Intergovernmental	2,165		2,165
Charges for Services	600		600
Earnings on Investments	561		561
Other Revenue	2,479		2,479
 Total Cash Receipts	 24,485	 0	 24,485
Cash Disbursements:			
General Government	10,080		10,080
Public Safety	8,694		8,694
Capital Outlay	1,099		1,099
 Total Cash Disbursements	 19,873	 0	 19,873
 Total Cash Receipts Over/(Under) Cash Disbursements	 4,612	 0	 4,612
Other Financing Receipts/(Disbursements):			
Transfers-In		15,000	15,000
Transfers-Out	(15,000)		(15,000)
 Total Other Financing Receipts/(Disbursements)	 (15,000)	 15,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (10,388)	 15,000	 4,612
 Fund Cash Balances, January 1	 26,307	 0	 26,307
 Fund Cash Balances, December 31	 \$ 15,919	 \$ 15,000	 \$ 30,919

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

**LOWELL-ADAMS JOINT FIRE DISTRICT
WASHINGTON COUNTY**

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

	Governmental Fund Type
	General
Cash Receipts:	
Local Taxes	\$ 17,674
Intergovernmental	2,066
Charges for Services	600
Earnings on Investments	597
Other Revenue	1,995
Total Cash Receipts	22,932
Cash Disbursements:	
General Government	11,792
Public Safety	4,949
Capital Outlay	4,618
Total Cash Disbursements	21,359
Total Cash Receipts Over/(Under) Cash Disbursements	1,573
Fund Cash Balances, January 1	24,734
Fund Cash Balances, December 31	\$ 26,307

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

**LOWELL-ADAMS JOINT FIRE DISTRICT
WASHINGTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Lowell-Adams Joint Fire District, Washington 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 a three-member Board of Trustees, who represent the Village of Lowell, Adams Township and one chosen by these two representatives. The Board of Trustees employs a Clerk. The District provides fire protection to the residents of its service area.

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

B. Basis of Accounting

The 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.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. 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.

2. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The District had only one Capital Projects Fund. This fund is used to account for the acquisition of new fire truck.

E. Budgetary Process

The Ohio Revised Code requires the District to prepare an annual budget.

**LOWELL-ADAMS JOINT FIRE DISTRICT
WASHINGTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function 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. Appropriations lapse at year end.

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 individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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 disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ 30,919	\$ 18,307
Certificates of Deposit	<u>0</u>	<u>8,000</u>
Total Deposits	<u>\$ 30,919</u>	<u>\$ 26,307</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

**LOWELL-ADAMS JOINT FIRE DISTRICT
WASHINGTON COUNTY**

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

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	\$ 21,142	\$ 24,485	\$ 3,343
Capital Projects	0	15,000	15,000
Total	\$ 21,142	\$ 39,485	\$ 18,343

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 32,378	\$ 34,873	\$ (2,495)
Capital Projects	15,000	0	15,000
Total	\$ 47,378	\$ 34,873	\$ 12,505

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 21,074	\$ 22,932	\$ 1,858

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 45,783	\$ 21,359	\$ 24,424

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 in 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.

**LOWELL-ADAMS JOINT FIRE DISTRICT
WASHINGTON COUNTY**

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

4. PROPERTY TAX (Continued)

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

5. RETIREMENT SYSTEM

The District's Clerk belongs 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The District has obtained commercial insurance coverage for the following risks:

- Property
- General liability
- Public officials' liability
- Crime and employee dishonesty
- Auto and vehicle



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

Lowell-Adams Joint Fire District
Washington County
P.O. Box 100
Lowell, Ohio 45744

To the Board of Trustees:

We have audited the accompanying financial statements of the Lowell-Adams Joint Fire District, Washington County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 9, 2001. We conducted our audit 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 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 certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 9, 2001.

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 other 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 March 9, 2001.

Lowell-Adams Joint Fire District
Washington 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 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 9, 2001



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LOWELL-ADAMS JOINT FIRE DISTRICT

WASHINGTON 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
APRIL 10, 2001**