



**FAIRFAX/MADISON PLACE JOINT FIRE
AND RESCUE DEPARTMENT
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAIRFAX/MADISON PLACE JOINT FIRE AND RESCUE DEPARTMENT
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REPORT OF INDEPENDENT ACCOUNTANTS

Fairfax/Madison Place Joint Fire and Rescue Department
Hamilton County
6904 Murray Avenue
Cincinnati, OH 45227

To the Board of Trustees:

We have audited the accompanying financial statements of Fairfax/Madison Place Joint Fire and Rescue Department, Hamilton County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998. 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 balance of the District, as of December 31, 1999 and 1998, 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 June 5, 2000 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.

This report is intended solely for the information and use of the audit committee, management and 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.

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Jim Petro
Auditor of State

June 5, 2000

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**FAIRFAX/MADISON PLACE JOINT FIRE AND RESCUE DEPARTMENT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

Cash receipts:	
Charges for services	\$625,803
Interest	6,217
Other revenue	<u>15,561</u>
Total cash receipts	<u>647,581</u>
Cash disbursements:	
Current:	
General government	149,916
Public Safety	<u>507,125</u>
Total disbursements	<u>657,041</u>
Total receipts over/(under) disbursements	(9,460)
Fund cash balance, January 1	<u>105,026</u>
Fund cash balance, December 31	<u><u>\$95,566</u></u>

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

**FAIRFAX/MADISON PLACE JOINT FIRE AND RESCUE DEPARTMENT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

Cash receipts:	
Charges for services	\$590,624
Interest	4,215
Other revenue	<u>30,249</u>
Total cash receipts	<u>625,088</u>
Cash disbursements:	
Current:	
General government	172,734
Public Safety	<u>455,531</u>
Total disbursements	<u>628,265</u>
Total receipts over/(under) disbursements	<u>(3,177)</u>
Other financing receipts/(disbursements):	
Other uses	<u>271</u>
Total other financing receipts/(disbursements)	<u>271</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(2,906)
Fund cash balance, January 1	<u>107,932</u>
Fund cash balance, December 31	<u><u>\$105,026</u></u>

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

**FAIRFAX/MADISON PLACE JOINT FIRE AND RESCUE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Fairfax/Madison Place Joint Fire and Rescue Department, Hamilton 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 is directed by an appointed four-member Board of Trustees. Two Board members are appointed by each political subdivision within the District. Those subdivisions are Columbia Township and the Village of Fairfax. 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 and Deposits

Certificates of deposit are valued at cost.

D. Fund Accounting

The District uses fund accounting; however, it has no cash that is restricted as to use. Thus, the District accounts for all of its activity in the General 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 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.

**FAIRFAX/MADISON PLACE JOINT FIRE AND RESCUE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The District had no material outstanding encumbrances at December 31, 1999 and 1998.

A summary of 1999 and 1998 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.

G. Unpaid Vacation

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the basis of accounting used by the District.

2. CASH AND DEPOSITS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 19,144	\$ 2,357
Certificates of deposit	<u>76,422</u>	<u>102,669</u>
Total deposits and investments	<u>\$ 95,566</u>	<u>\$ 105,026</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$ 619,200</u>	<u>\$ 647,581</u>	<u>\$ 28,381</u>

FAIRFAX/MADISON PLACE JOINT FIRE AND RESCUE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$ 609,972</u>	<u>\$ 657,041</u>	<u>\$ (47,069)</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$ 604,952</u>	<u>\$ 625,359</u>	<u>\$ 20,407</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$ 605,217</u>	<u>\$ 628,265</u>	<u>\$ (23,048)</u>

4. RETIREMENT SYSTEMS

The District's full-time fire fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). The Clerk belongs to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement 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 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The District contributed an amount equal to 24% of their wages. PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

The District also provides dental coverage to full-time employees through a private carrier.

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

Fairfax/Madison Place Joint Fire and Rescue Department
Hamilton County
6904 Murray Avenue
Cincinnati, OH 45227

To the Board of Trustees:

We have audited the accompanying financial statements of Fairfax/Madison Place Joint Fire and Rescue Department, Hamilton County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 5, 2000. 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 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 June 5, 2000.

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 June 5, 2000.

Fairfax/Madison Place Joint Fire and Rescue Department
Hamilton 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.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 5, 2000



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FAIRFAX/MADISON PLACE JOINT FIRE AND RESCUE DEPARTMENT

HAMILTON 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 6, 2000**