



**TRI-COUNTY JOINT FIRE DISTRICT
MADISON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TRI COUNTY JOINT FIRE DISTRICT
MADISON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Tri County Joint Fire District
Madison County
P.O. Box 325
Mount Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of Tri County Joint Fire District, Madison County, Ohio, (the District) as of and for the years ended December, 31 2000 and December, 31 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 cash balance of the District, as of December, 31 2000 and December, 31 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 April 3, 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 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

April 3, 2001

**TRI-COUNTY JOINT FIRE DISTRICT
MADISON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
DECEMBER 31, 2000 AND 1999**

	2000	1999
Cash Receipts:		
Charges for Services	\$222,300	\$225,432
Other	9,637	46,130
	<u>231,937</u>	<u>271,562</u>
Cash Disbursements:		
Current:		
Salaries and Benefits	40,107	32,987
New Buildings, Tools and Equipment	236,028	130,649
Utilities	5,973	4,791
Supplies	499	591
Repairs	12,914	17,402
Contract Services	0	1,734
Other Expenditures	30,081	19,383
Insurance	12,318	10,344
	<u>337,920</u>	<u>217,881</u>
Total Cash Disbursements	<u>337,920</u>	<u>217,881</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(105,983)</u>	<u>53,681</u>
Other Financing Receipts/(Disbursements):		
Proceeds from Loan	65,085	0
	<u>65,085</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>65,085</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(40,898)</u>	<u>53,681</u>
Cash Balance, January 1	<u>207,300</u>	<u>153,619</u>
Cash Balance, December 31	<u>\$166,402</u>	<u>\$207,300</u>

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

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**TRI-COUNTY JOINT FIRE DISTRICT
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Tri County Joint Fire District, Madison 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 five member Board of Trustees. The Board is appointed by the Village of Mount Sterling, Madison County; Pleasant Township, Madison County; Darby Township, Pickaway County; and Madison Township, Fayette County. These entities also provide funding to meet the District's operating costs under the agreement which established 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. 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 CASH

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

	<u>2000</u>		<u>1999</u>
Demand deposits	\$ 166,402	\$	207,300

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

3. PROPERTY TAX

The District receives property tax monies based on the contract with each member of the District. Each member passes a levy within its jurisdiction and its County collects the property taxes and remits the collections to the member through periodic settlements. Each member then pays the District according to the contract between the District and the member.

**TRI-COUNTY JOINT FIRE DISTRICT
MADISON COUNTY**

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

4. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Loan	\$ 65,085	6%
Total	\$ 65,085	

The District received a loan to help finance the purchase of a new fire truck. The loan is secured by the fire truck.

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

Year ending December 31:	Loan
2001	\$ 15,355
2002	15,355
2003	15,355
2004	15,355
2005	15,355
Total	\$ 76,775

5. RETIREMENT SYSTEMS

The District's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. These plans provide 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 1999 and 2000, the PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% in 2000. The District has paid all contributions required through December, 31 2000.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles



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

Tri County Joint Fire District
Madison County
P.O. Box 325
Mount Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of Tri County Joint Fire District, Madison County, Ohio (the District), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 3, 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 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 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 one matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 3, 2001.

Tri County Joint Fire District
Madison County
Report 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 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

April 3, 2001



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TRI COUNTY JOINT FIRE DISTRICT

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 8, 2001**