



**WESTERN RESERVE JOINT FIRE DISTRICT
MAHONING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WESTERN RESERVE JOINT FIRE DISTRICT
MAHONING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Western Reserve Joint Fire District
Mahoning County
111 South Main Street
Poland, Ohio 44514

To the Board of Trustees:

We have audited the accompanying financial statements of Western Reserve Joint Fire District, Mahoning County, (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 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 June 6, 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, and contracts. 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

June 6, 2001

**WESTERN RESERVE JOINT FIRE DISTRICT
MAHONING COUNTY**

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

	<u>General</u>
Cash Receipts:	
Local Taxes	\$463,496
Intergovernmental	62,037
Earnings on Investments	3,397
Miscellaneous	<u>18,790</u>
Total Cash Receipts	<u>547,720</u>
Cash Disbursements:	
Current:	
Security of Persons and Property	102,597
General Government	158,235
Debt Service:	
Redemption of Principal and Interest	122,427
Capital Outlay	<u>116,381</u>
Total Disbursements	<u>499,640</u>
Total Receipts Over/(Under) Disbursements	<u>48,080</u>
Fund Cash Balances January 1	<u>311,952</u>
Fund Cash Balances, December 31	<u><u>360,032</u></u>
Reserves for Encumbrances, December 31	<u><u>\$6,945</u></u>

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

**WESTERN RESERVE JOINT FIRE DISTRICT
MAHONING COUNTY**

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

	General
Cash Receipts:	
Local Taxes	\$446,195
Intergovernmental	60,688
Earnings on Investments	3,360
Miscellaneous	23,313
Total Cash Receipts	533,556
Cash Disbursements:	
Current:	
Security of Persons and Property	39,638
General Government	143,401
Debt Service:	
Redemption of Principal and Interest	122,427
Capital Outlay	108,975
Total Disbursements	414,441
Total Receipts Over/(Under) Disbursements	119,115
Fund Cash Balances January 1	192,837
Fund Cash Balances, December 31	311,952
Reserves for Encumbrances, December 31	\$83,666

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

**WESTERN RESERVE JOINT FIRE DISTRICT
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Western Reserve Joint Fire District, Mahoning County, 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 five-member Board of Trustees. The Board of Trustees are appointed as follows: Poland Township appoints two township trustees and the Village of Poland appoints two representatives who are residents of the village. The last member to the board is appointed on a rotated basis between Poland Township and the Village of Poland to serve a one year term.

The District provides fire protection for the citizens of Poland Township and the Village of Poland.

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's investment earnings consist of an interest bearing checking account.

D. Fund Accounting

The District uses fund accounting and has only a General Fund which accounts for all financial resources.

E. Budgetary Process

The Ohio Revised Code requires that the General fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level, 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.

**WESTERN RESERVE JOINT FIRE DISTRICT
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 capital outlay 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 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 360,032	\$ 311,952
Total deposits	<u>360,032</u>	<u>311,952</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by pooled securities pledged by the financial institution to the District.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$ 529,428</u>	<u>\$ 547,720</u>	<u>\$ 18,292</u>

**WESTERN RESERVE JOINT FIRE DISTRICT
MAHONING COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$ 832,666</u>	<u>\$ 506,585</u>	<u>\$ 326,081</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$ 520,867</u>	<u>\$ 533,556</u>	<u>\$ 12,689</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$ 704,473</u>	<u>\$ 498,107</u>	<u>\$ 206,366</u>

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
General Obligation Note	<u>\$ 97,607</u>	4.37%
Total	<u>\$ 97,607</u>	

**WESTERN RESERVE JOINT FIRE DISTRICT
MAHONING COUNTY**

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

5. DEBT - (Continued)

The District issued a general obligation note to finance the purchase of a new fire truck.

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

<u>Year ending December 31:</u>	<u>General Obligation Note</u>
2001	<u>\$98,617</u>
Total	<u>\$ 98,617</u>

6. RETIREMENT SYSTEMS

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.

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. The District contributed an amount equal to 13.55% of participants' gross salaries for 1999 and from July 2000 through December 2000 the PERS employers share was reduced to 8.13% due to a rate rollback which reduced the overall employer rate for 2000 to 10.84%. The District has paid all contributions required through December 31, 2000.

The District matches the employees contributions of 6.2% into Social Security. The District has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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



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

Western Reserve Joint Fire District
Mahoning County
111 South Main Street
Poland, Ohio 44514

To the Board of Trustees:

We have audited the financial statements of Western Reserve Joint Fire District, Mahoning County, (the District), as of and for the years ended years ended December 31, 2000 and 1999, and have issued our report thereon dated June 6, 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 Western Reserve Joint Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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*.

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.

Western Reserve Joint Fire District
Mahoning 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

June 6, 2001



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WESTERN RESERVE JOINT FIRE DISTRICT

MAHONING 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
JUNE 28, 2001**