



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

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001-2000**



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

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**STATE OF OHIO**



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

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## REPORT OF INDEPENDENT ACCOUNTANTS

Fairfax/Madison Place Joint Fire and Rescue Department  
Hamilton County  
6904 Murray Avenue  
Cincinnati, Ohio 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 Department), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Department 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 and reserves for encumbrances of the Department, as of December 31, 2001 and 2000, 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 28, 2002 on our consideration of the Department'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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 28, 2002

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Cash Receipts:</b>	
Charges for Services	\$615,566
Intergovernmental	109
Earnings on Investments	10,068
Miscellaneous	<u>88,712</u>
Total Cash Receipts	<u>714,455</u>
<b>Cash Disbursements:</b>	
Current:	
General Government	131,735
Public Safety	<u>621,656</u>
Total Cash Disbursements	<u>753,391</u>
Total Receipts (Under) Disbursements	<u>(38,936)</u>
<b>Other Financing Receipts:</b>	
Sale of Fixed Assets	<u>742</u>
Total Other Financing Receipts	<u>742</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	(38,194)
Fund Cash Balances, January 1	<u>109,833</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$71,639</b></u>
Reserves for Encumbrances, December 31	<u><u>\$0</u></u>

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

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

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

<b>Cash Receipts:</b>	
Charges for Services	\$644,696
Intergovernmental	150
Earnings on Investments	3,532
Miscellaneous	<u>22,828</u>
Total Cash Receipts	<u>671,206</u>
<b>Cash Disbursements:</b>	
Current:	
General Government	87,850
Public Safety	<u>602,742</u>
Total Cash Disbursements	<u>690,592</u>
Total Receipts (Under) Disbursements	<u>(19,386)</u>
<b>Other Financing Receipts:</b>	
Sale of Fixed Assets	<u>33,653</u>
Total Other Financing Receipts/(Disbursements)	<u>33,653</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	14,267
Fund Cash Balances, January 1	<u>95,566</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$109,833</u></b>
Reserves for Encumbrances, December 31	<u>\$1,179</u>

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



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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Fairfax/Madison Place Joint Fire and Rescue Department, Hamilton County, Ohio (the Department), 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 Department is directed by an appointed four-member Board of Trustees. Two Board members are appointed by each political subdivision within the Department. Those subdivisions are Columbia Township and the Village of Fairfax. The Department provides fire protection and rescue services within the Department and by contract to areas outside the Department.

The Department's management believes these financial statements present all activities for which the Department 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 Department uses fund accounting to segregate cash and investments that are restricted as to use. The Department accounts for all its financial 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(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 Department to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Department had no material outstanding encumbrances at December 31, 2001.

A summary of 2001 and 2000 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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Department's basis of accounting.

**2. CASH AND DEPOSITS**

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

	<u>2001</u>	<u>2000</u>
Demand deposits	\$48,753	\$58,806
Certificates of deposit	<u>22,886</u>	<u>51,027</u>
Total deposits	<u><u>\$71,639</u></u>	<u><u>\$109,833</u></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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$667,000</u>	<u>\$715,197</u>	<u>\$48,197</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$692,235</u>	<u>\$753,391</u>	<u>(\$61,156)</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$619,200</u>	<u>\$704,859</u>	<u>\$85,659</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$641,566</u>	<u>\$691,771</u>	<u>(\$50,205)</u>

**4. RETIREMENT SYSTEMS**

The Department's full-time fire fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. 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 2001 and 2000, members of OP&F contributed 10% of their wages to the OP&F. The Department contributed an amount equal to 24% of their wages. PERS member employees contributed 8.5% of their gross salaries. The Department contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. The Department has paid all contributions required through December 31, 2001.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Fairfax/Madison Place Joint Fire and Rescue Department has obtained commercial insurance for the following risks:

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

The Department also provides dental coverage to full-time employee 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, Ohio 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 Department), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 28, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Department'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 Department in a separate letter dated June 28, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Department'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 Department in a separate letter dated June 28, 2002.

Fairfax Madison Place Joint Fire Department  
Hamilton County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended solely 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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

June 28, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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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 30, 2002**