



**EAST GEAUGA JOINT FIRE DISTRICT
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**EAST GEAUGA JOINT FIRE DISTRICT
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REPORT OF INDEPENDENT ACCOUNTANTS

East Geauga Joint Fire District
Geauga County
P. O. Box 1197
Middlefield, Ohio 44062

To the Board of Trustees:

We have audited the accompanying financial statements of the East Geauga Joint Fire District, Geauga County, Ohio, (the District) as of and for the years ended December 31, 1999, December 31, 1998, and December 31, 1997. 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 audits.

We conducted our audits 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 audits 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 audits provide 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 East Geauga Joint Fire District, Geauga County, as of December 31, 1999, December 31, 1998, and December 31, 1997 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 July 17, 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 management, the 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

July 17, 2000

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**EAST GEAUGA JOINT FIRE DISTRICT
STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types
	General
Cash Receipts:	
Local Taxes	\$313,532
Intergovernmental	21,777
Earnings on Investments	2,599
Total Cash Receipts	337,908
Cash Disbursements:	
Current:	
Security of Persons and Property	259,200
General Government	19,457
Total Disbursements	278,657
Total Receipts Over/(Under) Disbursements	59,251
Fund Cash Balances, January 1	124,966
Fund Cash Balances, December 31	\$184,217

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

**EAST GEAUGA JOINT FIRE DISTRICT
STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>
	<u>General</u>
Cash Receipts:	
Local Taxes	\$296,721
Intergovernmental	21,117
Earnings on Investments	<u>2,041</u>
Total Cash Receipts	<u>319,879</u>
Cash Disbursements:	
Current:	
Security of Persons and Property	259,200
General Government	<u>5,516</u>
Total Disbursements	<u>264,716</u>
Total Receipts Over/(Under) Disbursements	<u>55,163</u>
Fund Cash Balances, January 1	<u>69,803</u>
Fund Cash Balances, December 31	<u><u>\$124,966</u></u>

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

**EAST GEAUGA JOINT FIRE DISTRICT
STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1997**

	Governmental Fund Types
	General
Cash Receipts:	
Local Taxes	\$269,268
Intergovernmental	20,342
Earnings on Investments	1,205
Total Cash Receipts	290,815
Cash Disbursements:	
Current:	
Security of Persons and Property	259,200
General Government	304
Total Disbursements	259,504
Total Receipts Over/(Under) Disbursements	31,311
Fund Cash Balances, January 1	38,492
Fund Cash Balances, December 31	\$69,803

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

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**EAST GEAUGA JOINT FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999, 1998 AND 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The East Geauga Joint Fire District, Geauga 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 operates under the direction of a five-member Board of Trustees appointed as follows: the Chairman of the Middlefield Township Board of Trustees; the Mayor of Middlefield Village; a second Middlefield Township Trustees appointed by the Township Trustees; a member of the Council of Middlefield Village appointed by the Council and; a resident of the District appointed by the Chairman of the Middlefield Township Board of Trustees and the Mayor of Middlefield Village. The representatives serve for a two year term. The District provides fire protection and rescue services for the communities of Middlefield Village and Middlefield Township.

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

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 fund as follows:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

**EAST GEAUGA JOINT FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999, 1998 AND 1997
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

Appropriations

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

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.

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. The District did not use the encumbrance method of accounting.

A summary of 1999, 1998, and 1997 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. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Demand deposits	\$ 133,164	\$ 124,966	\$ 69,803
Certificates of deposit	51,053	0	0
Total deposits	<u>\$ 184,217</u>	<u>\$ 124,966</u>	<u>\$ 69,803</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.

**EAST GEAUGA JOINT FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999, 1998 AND 1997
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999, 1998, and 1997 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 423,335	\$ 337,908	\$ (85,427)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 370,497	\$ 319,879	\$ (50,618)

1997 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 280,626	\$ 290,815	\$ 10,189

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 286,154	\$ 278,657	\$ 7,497

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 286,154	\$ 264,716	\$ 21,438

1997 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 262,200	\$ 259,504	\$ 2,296

**EAST GEAUGA JOINT FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999, 1998 AND 1997
(Continued)**

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 with 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. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions



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

East Geauga Joint Fire District
Gauga County
P. O. Box 1197
Middlefield, Ohio 44062

To the Board of Trustees:

We have audited the accompanying financial statements of the East Geauga Joint Fire District, Gauga County, Ohio (the District), as of and for the years ended December 31, 1999, December 31, 1998 and December 31, 1997, and have issued our report thereon dated July 17, 2000. We conducted our audits 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 audits 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 July 17, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered 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 July 17, 2000.

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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

July 17, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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EAST GEAUGA JOINT FIRE DISTRICT

GEAUGA 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
AUGUST 22, 2000**