



**CARDINAL JOINT FIRE DISTRICT  
MAHONING COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



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

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**STATE OF OHIO**



**CARDINAL JOINT FIRE DISTRICT  
MAHONING COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Cardinal Joint Fire District  
Mahoning County  
104 Lisbon Street  
Canfield, Ohio 44406

To the Board of Trustees:

We have audited the accompanying financial statements of the Cardinal Joint Fire District, Mahoning County, (the Fire District) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Fire 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 Fire 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 Fire 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 May 29, 2001 on our consideration of the Fire 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 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

May 29, 2001

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**CARDINAL 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><b>General</b></u> |
|---|-----------------------|
| <b>Cash Receipts:</b>                     |                       |
| Local Taxes                               | \$388,588             |
| Intergovernmental                         | 46,160                |
| Charges for Services                      | 10,261                |
| Earnings on Investments                   | 12,255                |
| Miscellaneous                             | <u>3,523</u>          |
| Total Cash Receipts                       | <u>460,787</u>        |
| <b>Cash Disbursements:</b>                |                       |
| Current:                                  |                       |
| Security of Persons and Property          | 302,611               |
| General Government                        | 98,136                |
| Debt Service:                             |                       |
| Redemption of Principal and Interest      | 45,874                |
| Capital Outlay                            | <u>17,048</u>         |
| Total Disbursements                       | <u>463,669</u>        |
| Total Receipts Over/(Under) Disbursements | <u>(2,882)</u>        |
| Fund Cash Balances January 1              | <u>230,648</u>        |
| <b>Fund Cash Balances, December 31</b>    | <u><u>227,766</u></u> |

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

**CARDINAL 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**

|   | <u><b>General</b></u> |
|---|-----------------------|
| <b>Cash Receipts:</b>                     |                       |
| Local Taxes                               | \$375,963             |
| Intergovernmental                         | 44,684                |
| Charges for Services                      | 11,462                |
| Earnings on Investments                   | 11,447                |
| Miscellaneous                             | <u>7,757</u>          |
| Total Cash Receipts                       | <u>451,313</u>        |
| <b>Cash Disbursements:</b>                |                       |
| Current:                                  |                       |
| Security of Persons and Property          | 241,980               |
| General Government                        | 120,337               |
| Debt Service:                             |                       |
| Redemption of Principal and Interest      | 114,784               |
| Capital Outlay                            | <u>56,150</u>         |
| Total Disbursements                       | <u>533,251</u>        |
| Total Receipts Over/(Under) Disbursements | <u>(81,938)</u>       |
| Fund Cash Balances January 1              | <u>312,586</u>        |
| <b>Fund Cash Balances, December 31</b>    | <u><b>230,648</b></u> |

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



**CARDINAL 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**

Cardinal 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 Fire District is directed by a five-member Board of Trustees. The Board of Trustees are appointed as follows as: Canfield Township appoints one township trustee and one township resident and the City of Canfield appoints one council member and one city resident. These four individuals then appoint the last member to the board. Once appointed, terms are continuous until a board member quits or retires. The Fire District provides fire protection for the citizens of Canfield Township and the City of Canfield.

The Fire District's management believes these financial statements present all activities for which the Fire 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 investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

The Fire 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 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. Unencumbered appropriations lapse at year end.

**CARDINAL 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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Fire District.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Fire 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                | \$ 44,594   | \$ 963      |
| Total deposits                 | 44,594      | 963         |
| Repurchase Agreement (SWEEP)   | 10,584      | 22,869      |
| STAR Ohio                      | 172,588     | 206,816     |
| Total investments              | 183,172     | 229,685     |
| Total deposits and investments | \$ 227,766  | \$ 230,648  |

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation. Repurchase Agreements are collateralized by securities specifically pledged by the financial institution to the District.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**CARDINAL JOINT FIRE DISTRICT  
MAHONING COUNTY**

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

**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<br>Receipts | Actual<br>Receipts | Variance        |
| General                           | <u>\$ 454,119</u>    | <u>\$ 460,787</u>  | <u>\$ 6,668</u> |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                   |
|---|----------------------------|---------------------------|-------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance          |
| General   | <u>\$ 684,767</u>          | <u>\$ 463,669</u>         | <u>\$ 221,098</u> |

| 1999 Budgeted vs. Actual Receipts |                      |                    |                  |
|-----------------------------------|----------------------|--------------------|------------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance         |
| General                           | <u>\$ 441,257</u>    | <u>\$ 451,313</u>  | <u>\$ 10,056</u> |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                   |
|---|----------------------------|---------------------------|-------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance          |
| General   | <u>\$ 730,248</u>          | <u>\$ 533,251</u>         | <u>\$ 196,997</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 Fire 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 Fire District.

**CARDINAL JOINT FIRE DISTRICT  
MAHONING COUNTY**

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

**5. RETIREMENT SYSTEMS**

The Fire District's full-time fire fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF 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 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Fire District contributed an amount equal to 24% of their wages. PERS members contributed 8.5% of their gross salaries. The Fire District contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 2000. The Fire District has paid all contributions required through December 31, 2000.

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

**6. RISK MANAGEMENT**

The Fire District has obtained commercial insurance for the following risks:

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

The Fire District also provides health insurance and dental and vision 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**

Cardinal Joint Fire District  
Mahoning County  
Board of Trustees  
104 Lisbon Street  
Canfield, Ohio 44406

To the Board of Trustees:

We have audited the financial statements of Cardinal Joint Fire District, Mahoning County, (the Fire District), as of and for the years ended years ended December 31, 2000 and 1999, and have issued our report thereon dated May 29, 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 Cardinal 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 Fire 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Fire District in a separate letter dated May 29, 2001.

Cardinal Joint Fire District  
Mahoning County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

May 29, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**CARDINAL 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 21, 2001**