



**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Perry Congress Joint Fire District
Morrow County
P.O. Box 85
Shauck, Ohio 43349

To the Board of Trustees:

We have audited the accompanying financial statements of the Perry Congress Joint Fire District, Morrow 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 fund cash balances 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 March 2, 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 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

March 2, 2001

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**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$21,211	\$10,605	\$31,816
Intergovernmental	2,522	1,252	3,774
Charges for Services	7,400	0	7,400
Earnings on Investments	2,596	0	2,596
Miscellaneous	3,629	0	3,629
	<u>37,358</u>	<u>11,857</u>	<u>49,215</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Public Safety	27,205	13,518	40,723
Capital Outlay	730	0	730
	<u>27,935</u>	<u>13,518</u>	<u>41,453</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	9,423	(1,661)	7,762
Fund Cash Balances January 1	<u>63,721</u>	<u>2,972</u>	<u>66,693</u>
Fund Cash Balances, December 31	<u><u>\$73,144</u></u>	<u><u>\$1,311</u></u>	<u><u>\$74,455</u></u>

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

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$23,574	\$11,733	\$35,307
Intergovernmental	2,449	1,216	3,665
Charges for Services	6,150	0	6,150
Earnings on Investments	2,911	0	2,911
Miscellaneous	1,501	0	1,501
	<u>36,585</u>	<u>12,949</u>	<u>49,534</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Public Safety	25,025	5,026	30,051
Capital Outlay	2,603	22,196	24,799
	<u>27,628</u>	<u>27,222</u>	<u>54,850</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	8,957	(14,273)	(5,316)
Fund Cash Balances January 1	54,764	17,245	72,009
	<u>54,764</u>	<u>17,245</u>	<u>72,009</u>
Fund Cash Balances, December 31	<u>\$63,721</u>	<u>\$2,972</u>	<u>\$66,693</u>

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

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perry Congress Joint Fire District, Morrow 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 is directed by an appointed five-member Board of Trustees. The District provides fire protection services that are beneficial to the surrounding Public.

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. Fund Accounting

The Fire District uses fund accounting to segregate cash and investments that are restricted as to use. The Fire District classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund:

This fund is used to account for proceeds from specific sources (other than from trust or for capital projects) that are restricted to expenditure for specific purposes. The Fire District had the following significant Special Revenue Fund:

Fire Maintenance Fund - This fund receives local government tax and intergovernmental homestead and rollback monies for the maintenance of fire apparatus, appliances, buildings, or sites.

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. 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

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

	<u>2000</u>		<u>1999</u>
Demand deposits	\$ 74,455	\$	66,693

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW 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 Receipts	Actual Receipts	Variance
General	\$ 35,900	\$ 37,358	\$ 1,458
Special Revenue	12,500	11,857	(643)
Total	<u>\$ 48,400</u>	<u>\$ 49,215</u>	<u>\$ 815</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 0	\$ 27,935	\$ (27,935)
Special Revenue	0	13,518	(13,519)
Total	<u>\$ 0</u>	<u>\$ 41,453</u>	<u>\$ (41,454)</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 0	\$ 36,585	\$ 36,585
Special Revenue	0	12,949	12,949
Total	<u>\$ 0</u>	<u>\$ 49,534</u>	<u>\$ 49,534</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 0	\$ 27,628	\$ (27,628)
Special Revenue	0	27,222	(27,222)
Total	<u>\$ 0</u>	<u>\$ 54,850</u>	<u>\$ (54,850)</u>

For fiscal years 1999 and 2000, tax budgets were not adopted and appropriation measures were not passed, all of which are in noncompliance with Ohio law.

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

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

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. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Non-Owned/Hired Auto
- Errors and omission



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

Perry Congress Joint Fire District
Morrow County
P.O. Box 85
Shauck, Ohio 43349

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Congress Joint Fire District, Morrow 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 March 2, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-40659-001 and 2000-40659-002. In addition, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 2, 2001.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2000-40659-001 and 2000-40659-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

March 2, 2001

**PERRY CONGRESS JOINT FIRE DISTRICT
MORROW COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2000-40659-001

Ohio Rev. Code Section 5705.28 states that on or before July 15 in each year, the taxing authority is required to adopt a tax budget for the next succeeding fiscal year.

The tax budgets for fiscal years 2000 and 1999 were not completed by the Clerk, adopted by the Board, or filed with the County Budget Commission. Not following the requirements of Ohio law could result in withholding of tax monies by the County.

We recommend annual tax budgets be completed by the Clerk, adopted by the Board and filed with the County Budget Commission for the next succeeding fiscal year.

FINDING NUMBER 2000-40659-002

Ohio Rev. Code Section 5705.38 requires that an appropriation measure to be passed on or about the first day of each fiscal year.

An appropriation resolution was not passed and filed with the County Budget Commission for 2000 and 1999.

We recommend the Board pass an annual appropriation resolution and the clerk file the resolution with the County Budget Commission by January 1 of each year. Such appropriations must be in place before the District can legally expend any monies.



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OFFICE OF THE AUDITOR

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PERRY CONGRESS JOINT FIRE DISTRICT

MORROW 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
APRIL 10, 2001**