



**Auditor of State
Betty Montgomery**

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANT'S REPORT

West Licking Joint Fire District
Licking County
851 East Broad Street
Pataskala, Ohio 43062

To the Board of Trustees:

We have audited the accompanying financial statements of the West Licking Joint Fire District, Licking County, Ohio, (the District) as of and for the years ended December 31, 2003 and December 31, 2002. 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 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 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 West Licking Joint Fire District as of December 31, 2003 and December 31, 2002, 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 April 14, 2004 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 § 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 14, 2004

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$3,632,490	\$314,708	\$3,947,198
Intergovernmental	493,245	39,115	532,360
Earnings on Investments	31,443	9,480	40,923
Donations	1,491	152,973	154,464
Miscellaneous	34,538	889	35,427
	<u>4,193,207</u>	<u>517,165</u>	<u>4,710,372</u>
Cash Disbursements:			
Current:			
Salaries and Fringe Benefits	3,630,284	0	3,630,284
Repairs and Maintenance	66,283	0	66,283
Insurance	42,695	0	42,695
Supplies	79,749	9,136	88,885
Utilities	47,747	0	47,747
Other	78,513	39,781	118,294
Debt Service:			
Redemption of Principal	0	130,148	130,148
Interest	0	26,415	26,415
Capital Outlay	12,815	1,237,610	1,250,425
	<u>3,958,086</u>	<u>1,443,090</u>	<u>5,401,176</u>
Total Receipts Over/(Under) Disbursements	<u>235,121</u>	<u>(925,925)</u>	<u>(690,804)</u>
Fund Cash Balances, January 1, 2003	<u>2,588,458</u>	<u>1,572,296</u>	<u>4,160,754</u>
Fund Cash Balances, December 31, 2003	<u><u>\$2,823,579</u></u>	<u><u>\$646,371</u></u>	<u><u>\$3,469,950</u></u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$3,306,918	\$297,308	\$3,604,226
Intergovernmental	565,344	47,146	612,490
Earnings on Investments	55,065	19,784	74,849
Donations	1,175	0	1,175
Miscellaneous	42,312	0	42,312
	<u>3,970,814</u>	<u>364,238</u>	<u>4,335,052</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Fringe Benefits	3,004,420	0	3,004,420
Repairs and Maintenance	51,688	0	51,688
Insurance	41,345	0	41,345
Supplies	73,275	5,164	78,439
Utilities	33,587	0	33,587
Other	65,727	27,150	92,877
Debt Service:			
Redemption of Principal	0	52,531	52,531
Interest	0	12,704	12,704
Capital Outlay	17,708	755,862	773,570
	<u>3,287,750</u>	<u>853,411</u>	<u>4,141,161</u>
Total Cash Disbursements			
	<u>3,287,750</u>	<u>853,411</u>	<u>4,141,161</u>
Total Receipts Over/(Under) Disbursements	<u>683,064</u>	<u>(489,173)</u>	<u>193,891</u>
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Proceeds from Sale of Debt	0	700,000	700,000
Transfers-In	0	1,000,000	1,000,000
Transfers-Out	(1,000,000)	0	(1,000,000)
	<u>(1,000,000)</u>	<u>1,700,000</u>	<u>700,000</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(1,000,000)</u>	<u>1,700,000</u>	<u>700,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(316,936)</u>	<u>1,210,827</u>	<u>893,891</u>
Fund Cash Balances, January 1, 2002	<u>2,905,394</u>	<u>361,469</u>	<u>3,266,863</u>
Fund Cash Balances, December 31, 2002	<u>\$2,588,458</u>	<u>\$1,572,296</u>	<u>\$4,160,754</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

West Licking Joint Fire District, Licking County, (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 six-member Board of Trustees. One board member is appointed by each political subdivision within the District. Those subdivisions are Etna Township, Jersey Township, Harrison Township, Village of Kirkersville, City of Reynoldsburg and City of Pataskala. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

Investments are included in fund cash balances. 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.

The investment in STAR OHIO (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

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

1. 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.

2. Special Revenue Funds

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

1 Mil Operating Levy – This fund receives tax and interest revenue for equipment and capital outlay expenditures.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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 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.

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. The District did not encumber all commitments required by Ohio law.

A summary of 2003 and 2002 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 District's basis of accounting.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment 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:

	2003	2002
Demand deposits	\$156,448	\$52,394
Escrow Accounts	\$87,163	\$0
Total deposits	243,611	52,394
STAR Ohio	2,986,569	2,838,977
Repurchase agreement	239,770	1,269,383
Total investments	3,226,339	4,108,360
Total deposits and investments	\$3,469,950	\$4,160,754

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the District or (3) collateralized by the financial institution's public entity deposit pool.

The District established escrow accounts to hold payment for two contractors that worked on the new fire station constructed in 2003.

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

The District's financial institution transfers securities to the District's agent to collateralize repurchase agreements. The securities are not in the District's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,024,790	\$4,193,207	\$168,417
Special Revenue	346,120	517,165	171,045
Total	\$4,370,910	\$4,710,372	\$339,462

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,313,512	\$3,958,086	\$355,426
Special Revenue	418,029	1,443,090	(1,025,061)
Total	\$4,731,541	\$5,401,176	(\$669,635)

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,062,460	\$3,970,814	(\$91,646)
Special Revenue	320,940	2,064,238	1,743,298
Total	\$4,383,400	\$6,035,052	\$1,651,652

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,442,960	\$4,287,750	(\$844,790)
Special Revenue	677,262	853,411	(176,149)
Total	\$4,120,222	\$5,141,161	(\$1,020,939)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the general fund by \$844,790 for the year ended December 31, 2002 and the special revenue fund by \$176,149 and \$1,025,061 for the years ended December 31, 2002 and December 31, 2003 respectively.

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. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$517,321	4.49%

The District issued general obligation bonds to finance the construction of a new fire station. The bonds were issued on July 26, 2002 in the amount of \$700,000 and have maturities through July 26, 2007. The bonds are collateralized solely by the District's taxing authority.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. DEBT (Continued)

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

	General Obligation Bonds
Year ending December 31:	
2004	\$156,563
2005	156,563
2006	156,563
2007	91,329
Total	\$561,018

6. RETIREMENT SYSTEMS

The District's full-time fire fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OP&F and OPERS 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 2003 and 2002, members of OP&F contributed 10% of their wages to the OP&F. The District contributed an amount equal to 24% of their wages. OPERS member employees contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Risk Pool Membership

The District belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with approximately 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

7. RISK MANAGEMENT

Risk Pool Membership

The Plan uses conventional insurance coverages and reinsures these coverages. Effective September 1, 2002, the Plan retains 5% of the premium and losses on the first \$500,000 casualty treaty (up to \$25,000 of a loss) and 5% of the first \$1,000,000 property treaty (up to \$50,000 of a loss). The Plan also participates in a loss corridor in its first \$500,000 casualty reinsurance. The corridor includes losses paid between 55% and 65% of premiums earned under this treaty. (Reinsurance coverage would resume after a paid loss ratio of 65% is exceeded.) The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The District also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



Auditor of State Betty Montgomery

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

West Licking Joint Fire District
Licking County
851 East Broad Street
Pataskala, Ohio 43062

To the Board of Trustees:

We have audited the accompanying financial statements of the West Licking Joint Fire District, Licking County, Ohio (the District) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated April 14, 2004. We conducted our audit in accordance with auditing standards generally accepted by 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 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 2003-001 and 2003-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 14, 2004.

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.

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This report is intended solely 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 14, 2004

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2003-001

Noncompliance Citation

Certification of Funds

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 (\$1,000 prior to April 6, 2003) may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002
(Continued)**

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

FINDING NUMBER 2003-001 (Continued)

Noncompliance Citation (Continued)

The District did not properly certify the availability of funds prior to purchase commitment for 100% of the expenditures tested and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used.

The District should certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

FINDING NUMBER 2003-002

Noncompliance Citation

Ohio Revised Code § 5705.41 (B) states that no subdivision or taxing unity is to expend money unless it has been appropriated.

The District passed annual appropriations at the fund-object level for the General Fund and at the fund level for the Special Operating Levy - Special Revenue Fund. Expenditures exceeded appropriations at the legal level of control as follows:

2002

Fund-Object	Appropriation	Expenditures	Variance
General Fund			
Vehicle, Liability Insurance	\$30,000	\$41,345	(\$11,345)
Health, Life, Dental Insurance	\$275,700	\$291,323	(\$15,623)
Transfers	\$0	\$1,000,000	(\$1,000,000)
Fund			
Special Operating Levy-Special Revenue Fund	\$677,262	\$853,410	(\$176,148)

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2003-002 (Continued)

Noncompliance Citation (Continued)

2003

Fund-Object	Appropriation	Expenditures	Variance
General Fund			
Building Maintenance	\$22,000	\$22,306	(\$306)
Utilities	\$40,000	\$47,747	(\$7,747)
Vehicle Repair	\$30,000	\$34,092	(\$4,092)
Fund			
Special Operating Levy- Special Revenue Fund	\$418,029	\$1,443,090	(\$1,025,061)

The variances in the Special Operating Levy Fund were a result of the District not budgeting or appropriating for expenditures incurred to construct a new fire station during 2002 and 2003. The District issued Bonds in 2002 and made a transfer from the General Fund to the Special Operating Levy Fund to pay for the construction project. Audit adjustments were made to the financial statements to properly reflect the receipts and expenditures of the construction project.

The Clerk should monitor the comparison of actual expenditures to appropriations set for each fund throughout the year. The Board should receive monthly budget to actual reports with which they should monitor budgetary activity and posting. All bond and note financing should be budgeted through the normal budgetary process.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <u>Explain:</u>
2001-40645-001	Ohio Rev. Code Sec. 5705.41(B) —Expenditures exceeding appropriations	No	Reissued as Finding 2003-002
2001-40645-002	Ohio Rev. Code Sec. 5705.41(D) —Proper certification of funds for expenditures	No	Reissued as Finding 2003-001



**Auditor of State
Betty Montgomery**

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WEST LICKING JOINT FIRE DISTRICT

LICKING 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 8, 2004**