



**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009-2008



Mary Taylor, CPA
Auditor of State

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' 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 governmental activities, each major fund, and the aggregate remaining fund information of West Licking Joint Fire District, Licking County, Ohio (the District), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The District processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the District because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying basis financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Licking Joint Fire District, Licking County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 14, 2010

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

This discussion and analysis of the West Licking Joint Fire District's financial performance provides an overall review of the District's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the District's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$535,181 as compared to 2008.

The District's general receipts are primarily property taxes. These receipts represent respectively 98 percent of the total cash received for governmental activities during the year. Property tax receipts for 2009 increased only slightly in comparison to 2008. Fees charged to contractors or businesses for various inspections provided supplemental, but very minimal, income during 2009.

The District had \$8,008,236 in disbursements during 2009, an increase of \$ 694,530 from 2008.

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$1,202,646 as compared to 2007.

The District's general receipts are primarily property taxes. These receipts represent 97 percent of the total cash received for governmental activities during the year. Property tax receipts for 2008 increased in comparison to 2007. Fees charged to contractors or businesses for various inspections provided supplemental, but very minimal, income during 2008.

The District had \$7,313,706 in disbursements during 2008, an increase of \$725,248 from 2007.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
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Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a modified cash basis of accounting for 2009 and cash basis for 2008. Cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2009 and 2008, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the District at year end.

The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts. The statement of activities compares cash disbursements with program receipts for each governmental program. The District had a immaterial amount of program revenues for 2009 and no program revenue for 2008.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as such as property tax and grants & entitlements and earning on investments.

In the statement of net assets and the statement of activities, the District has Governmental type of activities:

The District provides fire protection and rescue services within the Fire District and by contract to areas outside the District. State and federal grants and property taxes finance these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are reflected in the governmental categories.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
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Governmental Funds - All of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's only major governmental fund is the General Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The District as a Whole

Table 1 provides a summary of the District's net assets for 2009 compared to 2008 on a Modified Cash Basis:

(Table 1)			
Net Assets			
	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$92,552	\$8,158,030	\$6,955,384
Investments	8,600,659	0	
Total Assets	\$8,693,211	\$8,158,030	\$6,955,384
Net Assets			
Restricted for:			
Other Purposes	415,644	457,300	357,542
Unrestricted	8,277,567	7,700,730	6,597,842
Total Net Assets	\$8,693,211	\$8,158,030	\$6,955,384

- As mentioned previously, net assets of governmental activities increased \$535,181 in 2009 compared to 2008; and \$1,202,646 in 2008 compared to 2007.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 2 reflects the changes in net assets on a modified cash basis in 2009 and 2008 for governmental activities.

	2009	2008	2007
Receipts:			
General Receipts:			
Property and Other Local Taxes	\$ 7,141,713	\$ 7,095,127	\$ 7,181,911
Sale of Fixed Assets	18,903	0	0
Grants and Entitlements Not Restricted to Specific Programs	1,330,156	1,184,964	1,005,906
Interest	32,856	199,026	318,720
Miscellaneous	19,787	37,235	65,801
Total General Receipts	<u>8,543,415</u>	<u>8,516,352</u>	<u>8,572,338</u>
Total Receipts	<u>8,543,415</u>	<u>8,516,352</u>	<u>8,572,338</u>
Disbursements:			
General Government	7,299,595	6,791,974	6,192,972
Public Safety	257,023	195,962	175,002
Capital Outlay	451,616	325,770	106,655
Principal Retirement	0	0	89,977
Interest and Fiscal Charges	0	0	1,352
Miscellaneous			22,500
Total Disbursements	<u>8,008,234</u>	<u>7,313,706</u>	<u>6,588,458</u>
Increase (Decrease) in Net Assets	535,181	1,202,646	1,983,880
Net Assets, January 1	<u>8,158,030</u>	<u>6,955,384</u>	<u>4,971,504</u>
Net Assets, December 31	<u><u>\$8,693,211</u></u>	<u><u>\$8,158,030</u></u>	<u><u>\$6,955,384</u></u>

General receipts represent 100 percent of the District's total receipts, and of this amount, approximately 84% are property taxes and 16% intergovernmental in 2009. In 2008, approximately 83% are property taxes, and 14% intergovernmental.

Earnings on investments in 2008 were substantial, equaling \$199,025 or 2%. However, the 2009 investment interest was significantly lower than 2008, by \$166,169. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the District and the support services provided for the other District activities. These include the costs of fire protection, emergency medical services, training, wages, pensions, operating supplies, repairs and maintenance to fire stations and equipment, as well as internal services such as payroll and purchasing.

**WEST LICKING JOINT FIRE DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

If you look at the Statement of Activities on pages 12 and 17 you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government which accounts for 91 and 93 percent of all governmental disbursements.

	Total Cost of Services 2009	Total Cost of Services 2008	Total Cost of Services 2007
General Government	\$7,299,595	\$6,791,974	\$6,192,972
Public Safety	\$257,023	\$195,962	\$175,002
Capital Outlay	\$451,616	\$325,770	106,655
Principal Retirement			89,977
Interest and Fiscal Charges			1,352
Miscellaneous			22,500
Total Expenses	\$8,008,234	\$7,313,706	\$6,588,458

The dependence upon property tax receipts is apparent as the largest percentage of governmental activities was supported through these general receipts in 2009 and 2008.

The District's Funds

Total governmental funds in 2009 receipts totaled \$8,543,415 and disbursements of \$8,008,236. 2008 had receipts of \$8,516,352 and disbursements of \$7,313,706. The greatest net change within governmental funds occurred within the General Fund.

Two additional Special Revenue Funds were created during 4th quarter 2008 for FEMA: Fund 2901 Training Materials and Fund 2902 Ohio Task Force. No expenditures were made out of these new Funds until the Resolutions were retroactively approved by the Board on January 8, 2009.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. Final General Fund disbursements in 2008 were budgeted at \$7,772,776 while actual disbursements were \$6,981,512. Final General Fund disbursements in 2009 were budgeted at \$8,186,601 while actual disbursements were \$7,560,800. The District spending was significantly under the budgeted amounts.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Capital Assets and Debt Administration

Capital Assets

The District maintains an inventory of its capital assets.

Debt

At December 31, 2009, the District had no outstanding debt.

Current Issues

The challenge for all Government is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on property taxes and anticipate that industry will grow within the District and have a substantial impact on the future tax base.

A \$48,450 FEMA Grant for training materials was awarded to the District; \$43,605 provided by FEMA, and \$4,845 matched by the District.

Two additional Special Revenue Funds were created during 4th quarter 2008 for FEMA: Fund 2901 Training Materials and Fund 2902 Ohio Task Force. The new Funds and appropriations accounts were approved by retroactive Resolutions on January 8, 2009. Additionally, no expenditures were made out of these new Funds until the Resolutions were approved by the Board.

There was a significant decrease in investment earnings during 2009 due to the economy and much lower interest rates. The District enrolled in the CDARS Program through Park National Bank during the last quarter of 2009 to diversify investments and improve future earnings.

Capital outlay – three new Medic Units and three passenger and/or emergency response vehicles were purchased through a State of Ohio purchasing contract. A used Ford super-duty pickup was purchased from the City of Pataskala to tow the Safety House for educational purposes during Fire Prevention Month.

Administration of the Fire District changed with the hiring of Fire Chief David B. Fulmer in April, 2009. Six full-time firefighter/paramedics were hired in 2008, increasing the staff to 88 full-time and part-time personnel. Local 3025 Collective Bargaining Agreement was ratified, effective November 1, 2008 through October 31, 2011.

The process was begun to develop a Master Plan for the Fire District, reviewing existing facilities and services, and determining locations to build future facilities that will best serve the residents' needs.

As with other government entities, the cost of health care increased in both 2009 and 2008. Medical Mutual of Ohio was renewed as the major medical insurance provider. The District pays for 100% of all employees' health insurance premiums – major medical/prescription, AD&D, life, dental, and vision coverage.

A new website was created for the District: www.westlickingfire.org

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Elisabeth M. Krugh, Fiscal Officer, West Licking Joint Fire District, 851 East Broad Street, Pataskala, Ohio 43062.

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**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

***Statement of Net Assets - Modified Cash Basis
December 31, 2009***

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 92,552
Investments	8,600,659
 <i>Total Assets</i>	 8,693,211
 Net Assets	
Restricted for:	
Capital Projects	-
Debt Service	-
Other Purposes	415,644
Unrestricted	8,277,567
 <i>Total Net Assets</i>	 \$ 8,693,211

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

***Statement of Activities - Modified Cash Basis
December 31, 2009***

	Cash Disbursements	Governmental Activities	Net (Disbursements) Receipts and Changes in Net Assets
Governmental Activities			
General Government	\$ 7,299,595		(7,299,595)
Public Safety	257,023		(257,023)
Capital Outlay	451,616		(451,616)
Total Governmental Activities	\$ 8,008,234		\$ (8,008,234)
		General Receipts	
		Property Taxes	\$ 7,141,713
		Grants and Entitlements not Restricted to Specific Programs	1,330,156
		License , Permits and Fees	9,872
		Sale of Fixed Assets	18,903
		Earnings on Investments	32,856
		Miscellaneous	9,915
		Total General Receipts	8,543,415
		Change in Net Assets	535,181
		Net Assets Beginning of Year	8,158,030
		Net Assets End of Year	\$ 8,693,211

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

***Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009***

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets			
Equity in Pooled Cash and Cash Equivalents	88,543	4,009	92,552
Investments	8,189,024	411,635	8,600,659
<i>Total Assets</i>	<u>8,277,567</u>	<u>415,644</u>	<u>8,693,211</u>
Fund Balances			
Reserved:			
Reserved for Encumbrances	67,314	27,000	94,314
Unreserved:			
General Fund	8,210,253	-	8,210,253
Special Revenue Funds	-	388,644	388,644
<i>Total Fund Balances</i>	<u>8,277,567</u>	<u>415,644</u>	<u>8,693,211</u>

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009**

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts			
Property and Other Local Taxes	\$ 6,779,419	\$ 362,294	\$ 7,141,713
Licenses, Permits and Fees	9,872	-	9,872
Intergovernmental	1,219,358	110,798	1,330,156
Earnings on Investments	32,856	-	32,856
Miscellaneous	9,915	-	9,915
Total Receipts	<u>8,051,420</u>	<u>473,092</u>	<u>8,524,512</u>
Disbursements			
Current:			
General Government	7,292,867	6,728	7,299,595
Public Safety	200,619	56,404	257,023
Capital Outlay	-	451,616	451,616
Total Disbursements	<u>7,493,486</u>	<u>514,748</u>	<u>8,008,234</u>
Excess of Receipts Over (Under) Disbursements	<u>557,934</u>	<u>(41,656)</u>	<u>516,278</u>
Other Financing Sources			
Sale of Fixed Assets	<u>18,903</u>	-	<u>18,903</u>
Total Other Financing Sources	<u>18,903</u>	-	<u>18,903</u>
Net Change in Fund Balances	576,837	(41,656)	535,181
Fund Balances Beginning of Year	<u>7,700,730</u>	<u>457,300</u>	<u>8,158,030</u>
Fund Balances End of Year	<u>\$ 8,277,567</u>	<u>\$ 415,644</u>	<u>\$ 8,693,211</u>

See accompanying notes to the basic financial statements

**WEST LICKING JT FIRE DISTRICT
LICKING COUNTY**

**Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2009**

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 6,844,730	\$ 6,844,730	\$ 6,779,419	\$ (65,311)
Licenses, Permits and Fees	-	-	9,872	9,872
Intergovernmental	1,056,740	1,056,740	1,219,358	162,618
Earnings on Investments	-	-	32,856	32,856
Miscellaneous	-	-	9,915	9,915
<i>Total receipts</i>	<u>7,901,470</u>	<u>7,901,470</u>	<u>8,051,420</u>	<u>149,950</u>
Disbursements				
Current:				
General Government	7,800,301	7,795,801	7,300,547	495,254
Public Safety	386,500	391,000	260,253	130,747
<i>Total Disbursements</i>	<u>8,186,801</u>	<u>8,186,801</u>	<u>7,560,800</u>	<u>626,001</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(285,331)</u>	<u>(285,331)</u>	<u>490,620</u>	<u>775,951</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	18,903	18,903
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>18,903</u>	<u>18,903</u>
<i>Net Change in Fund Balance</i>	(285,331)	(285,331)	509,523	794,854
<i>Unencumbered Cash Balance Beginning of Year</i>	7,700,730	7,700,730	7,700,730	-
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 7,415,399</u>	<u>\$ 7,415,399</u>	<u>\$ 8,210,253</u>	<u>\$ 794,854</u>

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

***Statement of Net Assets - Cash Basis
December 31, 2008***

	Governmental
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 8,158,030
<i>Total Assets</i>	<u>8,158,030</u>
Net Assets	
Restricted for:	
Other Purposes	457,300
Unrestricted	7,700,730
<i>Total Net Assets</i>	<u>\$ 8,158,030</u>

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

***Statement of Activities - Cash Basis
For the Year Ended December 31, 2008***

	Cash Disbursements	Net (Disbursements) Receipts and Changes in Net Assets
Governmental Activities	Governmental Activities	
General Government	\$ 6,791,974	\$ (6,791,974)
Public Safety	195,962	(195,962)
Public Works	-	-
Capital Outlay	325,770	(325,770)
<i>Total Governmental Activities</i>	\$ 7,313,706	(7,313,706)
General Receipts		
Property Taxes		7,095,127
Grants and Entitlements not Restricted to Specific Programs		1,184,964
Licenses, Permits and Fees		8,181
Earnings on Investments		199,026
Miscellaneous		29,054
<i>Total General Receipts</i>		8,516,352
Change in Net Assets		1,202,646
<i>Net Assets Beginning of Year</i>		6,955,384
<i>Net Assets End of Year</i>		\$ 8,158,030

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008**

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 7,700,730	\$ 457,300	\$ 8,158,030
<i>Total Assets</i>	7,700,730	457,300	8,158,030
Fund Balances			
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	7,700,730	-	7,700,730
Special Revenue Funds	-	457,300	457,300
<i>Total Fund Balances</i>	\$ 7,700,730	\$ 457,300	\$ 8,158,030

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

***Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008***

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts			
Property and Other Local Taxes	\$ 6,733,831	\$ 361,296	\$ 7,095,127
Licenses, Permits and Fees	8,181	-	8,181
Intergovernmental	1,114,308	70,656	1,184,964
Earnings on Investments	199,026	-	199,026
Miscellaneous	29,054	-	29,054
Total Receipts	<u>8,084,400</u>	<u>431,952</u>	<u>8,516,352</u>
Disbursements			
Current:			
General Government	6,785,550	6,424	6,791,974
Public Safety	195,962	-	195,962
Capital Outlay	-	325,770	325,770
Total Disbursements	<u>6,981,512</u>	<u>332,194</u>	<u>7,313,706</u>
Net Change in Fund Balances	1,102,888	99,758	1,202,646
Fund Balances Beginning of Year	<u>6,597,842</u>	<u>357,542</u>	<u>6,955,384</u>
Fund Balances End of Year	<u>\$ 7,700,730</u>	<u>\$ 457,300</u>	<u>\$ 8,158,030</u>

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 7,619,906	\$ 7,619,906	\$ 6,733,831	\$ (886,075)
Licenses, Permits and Fees	-	-	8,181	8,181
Intergovernmental	182,893	182,893	1,114,308	931,415
Earnings on Investments	-	-	199,026	199,026
Miscellaneous	-	-	29,054	29,054
<i>Total receipts</i>	<u>7,802,799</u>	<u>7,802,799</u>	<u>8,084,400</u>	<u>281,601</u>
Disbursements				
Current:				
General Government	7,473,378	7,473,378	6,785,550	687,828
Public Safety	299,398	299,398	195,962	103,436
<i>Total Disbursements</i>	<u>7,772,776</u>	<u>7,772,776</u>	<u>6,981,512</u>	<u>791,264</u>
<i>Excess of Receipts Over Disbursements</i>	<u>30,023</u>	<u>30,023</u>	<u>1,102,888</u>	<u>1,072,865</u>
<i>Net Change in Fund Balance</i>	30,023	30,023	1,102,888	1,072,865
<i>Cash Balance Beginning of Year</i>	<u>6,597,842</u>	<u>6,597,842</u>	<u>6,597,842</u>	-
<i>Cash Balance End of Year</i>	<u>\$ 6,627,865</u>	<u>\$ 6,627,865</u>	<u>\$ 7,700,730</u>	<u>\$ 1,072,865</u>

See accompanying notes to the basic financial statements

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 1 – Reporting Entity

The West Licking Joint Fire District, Licking County, Ohio (the District), is a body politic and corporate established in 1982 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, City of Pataskala, and City of New Albany. The District's Fiscal Officer is a full-time employee, receiving in addition to wages, PERS and full benefits.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District provides fire and emergency medical services within the District.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. There were no component units of the District for the year ended December 31, 2009.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions and charges for services.

The statement of net assets presents the investment and cash balances of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The District's funds are all classified as governmental.

Governmental Funds

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The District's only major governmental fund is the General Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The Other Government Fund receives tax revenue for equipment and capital outlay expenditures and debt service related to construction.

C. Basis of Accounting

The District's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations measure, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate.

The appropriations measure is the District's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the District.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District during the year.

E. Cash and Investments

District records identify the purchase of specific investments by specific funds.

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 negative receipts (contra revenue), respectively.

During 2009 the District maintained a general interest bearing checking account and invested with STAR Ohio and nonnegotiable certificates of deposit. For 2008 the District maintained a general interest bearing checking account and invested with STAR Ohio.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009 and 2008.

Interest earnings are allocated to District funds according to state statutes. Interest receipts credited to the General Fund during 2009 were \$32,857 and \$199,025 in 2008.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

F. Restricted Assets

Cash and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had no such assets.

G. Inventory and Prepaid Items

The District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance Reserves

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 3 – Budgetary Basis of Accounting (continued)

The difference between the budgetary basis and the *modified* cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (*modified* cash basis). The encumbrances outstanding at year ended 2009 (budgetary basis) amounted to \$67,314 for the general fund.

Note 4 – Deposits and Investments

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

4 – Deposits and Investments (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the District or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009 and 2008 the District's bank balances were \$211,251 and \$56,505 respectively. At December 31, 2009 and 2008, \$211,251 and \$56,505 respectively, were covered by the FDIC and not exposed to custodial credit risk.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

The District has no investment policy beyond the requirements of State statute, found in ORC 135.

As of December 31, 2009 and 2008, the District had the following investments:

	<u>Carrying Value</u>	<u>Days to Maturity</u>
2009		
STAR Ohio	\$ 4,600,659	-
1-Year CDARS	1,000,000	316
2-Year CDARS	3,000,000	686
<u>Total Investments</u>	<u>\$ 8,600,659</u>	<u>276</u>
2008		
<u>STAR Ohio</u>	<u>\$ 8,101,525</u>	<u>-</u>

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 4 – Deposits and Investments (continued)

Interest rate risk arises because the fair value of investment changes as interest rates change. The District's investment policy addresses interest rate risk by requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy deals with investment custodial risk by referencing the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes respectively. Real property taxes received in 2009 and 2008 were levied after October 1, 2008 and 2007 respectively, on the assessed values as of January 1, 2008 and 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes, respectively. Public utility real and tangible personal property taxes received in 2009 and 2008 became a lien on December 31, 2008 and 2007, respectively, were levied after October 1, 2008 and 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Collections in 2009 and 2008 tangible property taxes are levied after October 1, 2008 and 2007, respectively, on the value as of December 31, 2008 and 2007. Tangible personal property assessments have been phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent and is reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 5 – Property Taxes (continued)

The full tax rate for all District operations for the years ended December 31, 2008 and 2009 was \$1 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 and 2009 property tax receipts were based are as follows:

<u>Real Property</u>	<u>2009</u>	<u>2008</u>
Residential/Agriculture	\$818,597,460	\$792,694,160
Other Real Property	\$108,933,050	95,073,910
Tangible Personal Property	<u>\$22,350,495</u>	<u>33,004,270</u>
Total Assessed Value	\$949,881,005	\$920,772,340

Note 6 – Risk Management

Risk Pool Membership

The District belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is 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 coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$10,471,000	9,620,148
Liabilities	<u>(5,287,000)</u>	<u>(3,329,620)</u>
Members' Equity	<u>\$ 5,184,000</u>	<u>\$6,290,528</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 6 – Risk Management (continued)

The District also provides major medical, prescription, life, accidental death and dismemberment, dental and vision coverage at no cost to full-time employees through private carriers.

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans:

1. The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.
3. The Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2009 and 2008 member contribution rates were 10% for members in state and local classifications.

The 2009 and 2008 employer contribution rate for state and local employers was 14% of covered payroll.

Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 7 – Defined Benefit Pension Plan (continued)

For 2008 and 2009, the District's members of all three OPERS plans were required to contribute 10% of their annual covered salaries. The District picked up the employee's required 10% portion. The District's contribution rate for pension benefits for 2008 and 2009 was 14%. The Ohio Revised Code provides statutory authority for member and employer contributions. The District's contributions for both the employee and employer pension obligations to the OPERS Traditional and Combined Plans for the year ended December 31, 2008 was \$22,705.96 and \$23,487.30 for 2009. The fourth quarter liability was paid in the first quarter of 2009 and 2010.

B. Ohio Police and Fire Pension Fund

The District contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The District picked up the employee's required 10 percent portion. The District's contribution rate for pension benefits for 2009 and 2008 were 24%. The District's contributions for both the employee and employer pension obligations to OP&F for the year ended December 31, 2009 and 2008 were \$1,368,996 and \$1,310,281 respectively. The fourth quarter liabilities were paid in the first quarters of 2009 and 2010, respectively.

Note 8 – Post-Employment Benefits

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 8 – Post-Employment Benefits (continued)

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

1. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

2. Information from Employer's Records

The rates stated in Section B, above, are the contractually required contribution rates for OPERS. As part of this disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund post-employment benefits. The portion of your employer contributions that were used to fund post-employment benefits can be approximated by multiplying actual employer contributions for January 1 through December 31, 2008 by 0.5000 for state and local employers.

3. OPERS Retirement Board Implements its Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The District contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 8 – Post-Employment Benefits (continued)

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

1. Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's contributions to OP&F for the years ending December 31, 2009, 2008, and 2007 were \$1,368,996, \$1,310,280 and \$1,141,307, respectively, of which \$473,672, \$453,356 and \$394,892, respectively, was allocated to the healthcare plan.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Licking Joint Fire District, Licking County, Ohio, (the District) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 14, 2010, wherein we noted the District uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the District. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 14, 2010.

We intend this report solely for the information and use of the management, audit committee and Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 14, 2010

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Findings for Recovery - Overpayment of Pager Pay	Yes	
2007-002	Findings for Recovery – Leave Buyout Overpayment	Yes	
2007-003	Noncompliance – Prior Certification of Funds	Yes	
2007-004	Material Weakness – Financial Reporting	Partially	Repeated in ML



Mary Taylor, CPA
Auditor of State

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
JULY 6, 2010