



**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
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OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Board of Trustees
West Licking Joint Fire District
851 Broad Street
Pataskala, Ohio 43062

We have reviewed the *Independent Auditor's Report* of the West Licking Joint Fire District, Licking County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The West Licking Joint Fire District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 31, 2022

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**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

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Certified Public Accountants, A.C.

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INDEPENDENT AUDITOR'S REPORT

October 31, 2021

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years then ended December 31, 2019 and 2018, and related notes of West Licking Joint Fire District, Licking County, (the District).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on the financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the District prepared the financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years then ended December 31, 2019 and 2018, and related notes of West Licking Joint Fire District, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 10 to the Financial Statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 9,578,973	\$ 1,173,550	\$ -	\$ 10,752,523
Charges for Services	-	1,313,103	-	1,313,103
Intergovernmental	998,992	23,692	-	1,022,684
Earnings on Investments	137,799	-	-	137,799
Miscellaneous	203,835	24,273	-	228,108
<i>Total Cash Receipts</i>	<u>10,919,599</u>	<u>2,534,618</u>	<u>-</u>	<u>13,454,217</u>
Cash Disbursements				
Current:				
General Government	10,203,099	1,286,593	-	11,489,692
Capital Outlay	117,318	952,989	1,779,436	2,849,743
Debt Service:				
Principal Retirement	-	65,000	-	65,000
Interest and Fiscal Charges	-	65,978	-	65,978
<i>Total Cash Disbursements</i>	<u>10,320,417</u>	<u>2,370,560</u>	<u>1,779,436</u>	<u>14,470,413</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	599,182	164,058	(1,779,436)	(1,016,196)
Other Financing Receipts				
Debt Proceeds	-	-	1,775,203	1,775,203
Sale of Capital Assets	-	5,050	-	5,050
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>5,050</u>	<u>1,775,203</u>	<u>1,780,253</u>
<i>Net Change in Fund Cash Balances</i>	599,182	169,108	(4,233)	764,057
<i>Fund Cash Balances, January 1</i>	<u>3,602,211</u>	<u>1,213,014</u>	<u>108,008</u>	<u>4,923,233</u>
Fund Cash Balances, December 31				
Restricted	-	1,382,116	103,775	1,485,891
Committed	-	6	-	6
Assigned	68,044	-	-	68,044
Unassigned	4,133,349	-	-	4,133,349
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,201,393</u>	<u>\$ 1,382,122</u>	<u>\$ 103,775</u>	<u>\$ 5,687,290</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
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of West Licking Joint Fire District, Licking County, (the District) as a body corporate and politic. A six-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

Fund Accounting

The District uses funds 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. The funds of the District are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Special Levy Fund – Receives tax and intergovernmental revenue for equipment and capital outlay expenditures related to fire equipment.

Fire and Rescue Ambulance EMS Fund – Receives charges for services directly related to Emergency Medical Service billings for direct costs of services.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project funds:

Station 405 Fund – Received bond proceeds for the construction of Station 405.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 4.

Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the EMS Billing fund by \$18,085 for the year ended December 31, 2019.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 10,330,793	\$ 10,919,599	\$ 588,806
Special Revenue	2,299,529	2,539,668	240,139
Capital Projects	-	1,775,203	1,775,203
Total	\$ 12,630,322	\$ 15,234,470	\$ 2,604,148

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Budgetary Activity (Continued)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 10,475,989	\$ 10,320,417	\$ 155,572
Special Revenue	2,780,799	2,370,560	410,239
Capital Projects	1,883,211	1,779,436	103,775
Total	\$ 15,139,999	\$ 14,470,413	\$ 669,586

Note 5 – Deposits and Investments

The District maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2019
Demand deposits	\$ 4,772,134
Total deposits	4,772,134
STAR Ohio	915,156
Total investments	915,156
Total deposits and investments	\$ 5,687,290

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS).

Investments

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

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 – Risk Management

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 – Defined Benefit Pension Plans

Ohio Police and Fire Retirement System

The District certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The District contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The District has paid all contributions required through December 31, 2019.

Ohio Public Employees Retirement System

Other employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 8 – Defined Benefit Pension Plans (Continued)

Social Security

Several of the District's employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

Note 9 – Postemployment Benefits

Both OP&F and OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OP&F contributes 0.5 percent of the employer contribution to fund these benefits. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Station Bonds	\$ 1,685,000	5%
Fire Truck Lease	1,187,203	3.765%
Pumper Truck Lease	588,000	3.594%
Total	<u>\$ 3,460,203</u>	

On May 22, 2018, the District issued general obligation bonds in the amount of \$1,750,000 for the purpose of financing the construction of a new fire station with the bonds maturing in 2038. The District's taxing authority collateralized the bonds.

On April 30, 2019, the District entered into a Equipment Lease Purchase agreement with Leasing 2, Inc. for the lease of a new Pumper Truck. Amount outstanding as of December 31, 2019 was \$588,000. The lease matures on April 30, 2029.

On January 31, 2019, the District entered into a Equipment Lease Purchase agreement with Leasing 2, Inc. for the lease of a new Fire Truck. Amount outstanding as of December 31, 2019 was \$1,187,203. The lease matures on January 31, 2029.

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Debt (Continued)

Amortization

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

Year Ending December 31:	Fire Truck Lease	Pumper Truck Lease	Fire Station Bonds
2020	\$ 144,644	\$ 71,037	\$ 78,650
2021	144,644	71,037	80,275
2022	144,644	71,037	86,450
2023	144,644	71,037	91,000
2024	144,644	71,037	91,000
2025-2029	723,220	355,185	526,250
2030-2034	-	-	696,000
2035-2038	-	-	681,500
Total	<u>\$ 1,446,440</u>	<u>\$ 710,370</u>	<u>\$ 2,331,125</u>

NOTE 11 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 9,145,086	\$ 433,175	\$ -	\$ 9,578,261
Charges for Services	-	1,338,222	-	1,338,222
Intergovernmental	992,060	55,604	-	1,047,664
Earnings on Investments	100,678	-	-	100,678
Miscellaneous	121,511	12,330	-	133,841
<i>Total Cash Receipts</i>	<u>10,359,335</u>	<u>1,839,331</u>	<u>-</u>	<u>12,198,666</u>
Cash Disbursements				
Current:				
General Government	10,202,956	823,123	-	11,026,079
Capital Outlay	117,837	538,214	1,646,109	2,302,160
<i>Total Cash Disbursements</i>	<u>10,320,793</u>	<u>1,361,337</u>	<u>1,646,109</u>	<u>13,328,239</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	38,542	477,994	(1,646,109)	(1,129,573)
Other Financing Receipts				
Sale of Bonds	-	-	1,750,000	1,750,000
Premium - Bonds	-	-	4,117	4,117
Sale of Capital Assets	-	74,204	-	74,204
Advances In	375,000	-	375,000	750,000
Advances Out	(375,000)	-	(375,000)	(750,000)
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>74,204</u>	<u>1,754,117</u>	<u>1,824,204</u>
<i>Net Change in Fund Cash Balances</i>	38,542	552,198	108,008	698,748
<i>Fund Cash Balances, January 1</i>	<u>3,563,669</u>	<u>660,816</u>	<u>-</u>	<u>4,224,485</u>
Fund Cash Balances, December 31				
Restricted	-	1,213,008	108,008	1,321,016
Committed	-	6	-	6
Assigned	194,614	-	-	194,614
Unassigned	3,407,597	-	-	3,407,597
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,602,211</u>	<u>\$ 1,213,014</u>	<u>\$ 108,008</u>	<u>\$ 4,923,233</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
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of West Licking Joint Fire District, Licking County, (the District) as a body corporate and politic. A six-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

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General Fund The General Fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Special Levy Fund – Receives tax and intergovernmental revenue for equipment and capital outlay expenditures related to fire equipment.

Fire and Rescue Ambulance EMS Fund – Receives charges for services directly related to Emergency Medical Service billings for direct costs of services.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project funds:

Station 405 Fund – Received bond proceeds for the construction of Station 405.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 4.

Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund and the Capital Projects Fund by \$317,443 and \$275,343, respectively, for the year ended December 31, 2018.

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 10,276,971	\$ 10,734,335	\$ 457,364
Special Revenue	1,824,957	1,913,535	88,578
Capital Projects	1,750,000	2,129,117	379,117
Total	\$ 13,851,928	\$ 14,776,987	\$ 925,059

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 10,572,962	\$ 10,695,793	\$ (122,831)
Special Revenue	1,809,914	1,361,337	448,577
Capital Projects	-	2,021,109	(2,021,109)
Total	\$ 12,382,876	\$ 14,078,239	\$ (1,695,363)

Note 5 – Deposits and Investments

The District maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2018
Demand deposits	\$ 4,523,494
Total deposits	4,523,494
STAR Ohio	399,739
Total investments	399,739
Total deposits and investments	\$ 4,923,233

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS).

Investments

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

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

Note 7 – Risk Management

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 8 – Defined Benefit Pension Plans

Ohio Police and Fire Retirement System

The District certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The District contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The District has paid all contributions required through December 31, 2018.

Ohio Public Employees Retirement System

Other employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

Social Security

Several of the District's employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

Note 9 – Postemployment Benefits

Both OP&F and OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OP&F contributes 0.5 percent of the employer contribution to fund these benefits. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

West Licking Joint Fire District
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Debt

Debt outstanding at December 31, 2018, was as follows:

	Principal	Interest Rate
Fire Station Bonds	\$1,750,000	5%
Total	\$1,750,000	

May 22, 2018, the District issued general obligation bonds in the amount of \$1,750,000 for the purpose of financing the construction of a new fire station with the bonds maturing in 2038. The District's taxing authority collateralized the bonds.

Amortization

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

Year Ending December 31:	Fire Station Bonds
2019	\$ 78,650
2020	78,650
2021	80,275
2022	86,450
2023	91,000
2024-2028	494,000
2029-2033	667,000
2034-2038	833,750
Total	\$ 2,409,775

NOTE 11 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

October 31, 2021

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the cash balances, receipts and disbursements of the West Licking Joint Fire District, Licking County, (the District) as of and for the years ended December 31 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated October 31, 2021, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control Over Financial Reporting (Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2019-001 and 2019-002 to be material weaknesses.

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 financial statements. However, opining 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 an instance of noncompliance or other matter we must report under Government Auditing Standards which is described in the accompanying schedule of audit findings as item 2019-001.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

Material Weakness / Noncompliance

Budgetary Controls

The Budget is an instrument of public policy. A governing board expresses its desires for using a government's limited resources through its appropriations. Ohio Revised Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit, we noted several violations of budgetary law, which although they do not in and of themselves result in errors in financial reporting, may lead to the District making financial decisions based on incorrect or incomplete information. We noted the following:

- Violations of 5705.41(B) stating no subdivision is to expend money unless it has been appropriated (expenditures exceeded appropriations). In 2018 expenditures exceeded appropriations in the General Fund by \$317,433. In 2019, expenditures exceeded appropriations in the EMS Billing Fund by \$18,085;
- Violations of 5705.41(D) relating to expenditures having prior certification of availability of funds. The District did not properly certify the availability of funds prior to purchase commitment for 20% of the expenditures tested for 2018 and for 22% of the expenditures tested for 2019.

In addition, The District did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Board and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

We recommend the District implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the County Budget Commission and the Board after each amendment. The Board does not monitor for budgetary compliance. Although the Board approves budgets for revenue and expenses and receives monthly reports of budget and actual information, it does not ensure budgetary forms are properly completed or submitted to the County Budget Commission.

The board should review the requirements of Ohio Revised Code Section 5705 to be familiar with these laws and to make sure the District is complying with applicable sections. We recommend the District establish a procedure that ensures budgetary monitoring.

Management's Response: We did not receive a response to this finding.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)
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FINDING NUMBER 2019-002

Material Weakness

Financial Reporting

The District is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting.

Ohio Rev. Code Section 5705.09 requires, in part, each subdivision to establish a bond retirement fund for the retirement of serial bonds, notes or certificates of indebtedness.

During 2018, the District issued a bond refunding and did not establish a debt service fund to account for the bond proceeds or the retirement of the bond.

We recommend the District establish a debt service fund to account for the retirement of the 2018 refunding bond. New funds established should be approved by the Board and documented in the minutes.

During 2019, receipts and disbursements were not always posted or classified correctly. The following posting errors were noted:

- Loan proceeds from 2 new loans were not properly posted as debt proceeds and capital outlay.

Not posting receipts and disbursements correctly resulted in the financial statements requiring a reclassification. The Financial Statements reflect the reclassification.

The following error noted in the District's financial statements was determined to be immaterial and did not require adjustments to properly present the Township's financial activity:

- During 2019, the District did not properly classify outstanding encumbrances at year end in the General Fund as Assigned.

During the audit, aspects of the notes to the financial statements were corrected from the Hinkle filing to agree to the financial statements in the audit report and to include all necessary note disclosures.

In 2018 and 2019, the following Notes to the financial statements were corrected to agree to the financial statements:

- Note 3 - Budgetary Activity – Tables did not disclose accurate amounts; and
- Note 4 - Deposits and Investments – Table did not disclose accurate amount.

In 2018 and 2019, the following Note Disclosures were added:

- Note 9 – Debt

We recommend the District use the available templates for financial statements and notes to the financial statements on the Auditor of State's website to prepare an accurate annual financial report.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)
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To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all revenues and disbursements are properly identified and classified on the financial statements.

Management's Response: We did not receive a response to this finding.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Bank Reconciliations	Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



WEST LICKING JOINT FIRE DISTRICT

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 2/10/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov