

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY, OHIO**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**







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Columbus, Ohio 43215  
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(800) 282-0370

Board of Trustees  
Bladensburg Joint Fire District  
PO Box 85  
Martinsburg, OH 43037

We have reviewed the *Independent Auditor's Report* of the Bladensburg Joint Fire District, Knox County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2022. 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 Bladensburg Joint Fire District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 25, 2023**

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**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY  
Regular Audit  
For the Years Ended December 31, 2022 and 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Bladensburg Joint Fire District  
Knox County  
P.O. Box 85  
Martinsburg, Ohio 43037

To the Board of Trustees:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Bladensburg Joint Fire District, Knox County, Ohio (the District), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying 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 ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 11 to the 2022 and 2021 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinions regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

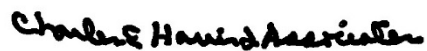
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.



***Charles E. Harris & Associates, Inc.***  
June 20, 2023

**BLADENSBURG JOINT FIRE DISTRICT**  
*Knox County*  
*Combined Statement of Receipts, Disbursements and*  
*Changes In Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2022*

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 314,757	\$ -	\$ 36,258	\$ 351,015
Charges for Services	-	52,423	-	52,423
Intergovernmental	20,651	3,430	-	24,081
Earnings on Investments	184	-	-	184
Miscellaneous	16,886	-	-	16,886
<i>Total Cash Receipts</i>	<u>352,478</u>	<u>55,853</u>	<u>36,258</u>	<u>444,589</u>
<b>Cash Disbursements</b>				
Current Disbursements:				
General Government	138,395	-	-	138,395
Public Safety	169,066	57,765	-	226,831
Capital Outlay	12,397	-	-	12,397
Debt Service:				
Principal Retirement	-	-	27,782	27,782
Interest and Fiscal Charges	-	-	8,476	8,476
<i>Total Cash Disbursements</i>	<u>319,858</u>	<u>57,765</u>	<u>36,258</u>	<u>413,881</u>
<i>Excess Receipts Over (Under) Disbursements</i>	32,620	(1,912)	-	30,708
<b>Other Financing Receipts</b>				
Sale of Capitals Assets	12,579	-	-	12,579
<i>Total Other Financing Receipts</i>	<u>12,579</u>	<u>-</u>	<u>-</u>	<u>12,579</u>
<i>Net Change in Fund Cash Balance</i>	45,199	(1,912)	-	43,287
<i>Fund Cash Balances, January 1, 2022</i>	<u>244,011</u>	<u>118,983</u>	<u>-</u>	<u>362,994</u>
<i>Fund Cash Balances, December 31, 2022</i>	<u>\$ 289,210</u>	<u>\$ 117,071</u>	<u>\$ -</u>	<u>\$ 406,281</u>

*See accompanying notes to the financial statements*

# BLADENSBURG JOINT FIRE DISTRICT

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2022*

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## **Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Bladensburg Joint Fire District, Knox County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. The Board consists of a trustee from each Township and a council person from the Village of Martinsburg. Those subdivisions are Clay Township, Jackson Township and Martinsburg Village. The District provides fire protection and rescue services within 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 Fund:

***Fire and Rescue, Ambulance and Emergency Medical Services Fund*** - This fund receives charges for services for providing emergency related services.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The District had the following significant Debt Service Fund:

***Debt Service Fund*** – This fund receives property tax money for paying off outstanding debt.

### ***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 (C). 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).

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (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 (C) 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 fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

***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.

***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.

***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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District.

***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.

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$333,856	\$365,057	\$31,201
Special Revenue	45,000	55,853	10,853
Debt Service	36,258	36,258	-

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$543,056	\$319,858	\$223,198
Special Revenue	120,120	57,765	62,355
Debt Service	36,258	36,258	-

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2022*

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**Note 4 – Deposits**

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the District's deposit accounts is as follows:

	<u>2022</u>
<b><i>Cash Management Pool:</i></b>	
Demand deposits	<u>\$406,281</u>
<i>Total carrying amount of deposits held in the Pool</i>	<u><u>\$406,281</u></u>

The District does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the District is holding \$0 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the District; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 5 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Public utilities are also taxed on personal and real property located within the District.

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

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements  
For the Year Ended December 31, 2022*

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**Note 6 – Risk Management**

***Commercial Insurance***

The District has obtained commercial insurance for the following risks:

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

There has been no significant reduction in coverage limits from the prior year. Settled claims did not exceed coverage for any of the past three years.

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

The Fiscal Officer belongs 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, 2022.

***Social Security***

All other District 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, 2022.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which includes 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2022*

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**Note 8 – Postemployment Benefits (Continued)**

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2020 Pumper Fire Truck Loan	\$254,495	3%
Total	<u>\$254,495</u>	

In 2020, the District, under a government obligation contract, took out a loan in the amount of \$309,250, for the purchase of a pumper truck. This loan will be repaid in annual installments over ten years. The first payment was made in July 2021.

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

Year Ending December 31:	Amount
2023	\$36,258
2024	36,258
2025	36,258
2026	36,258
2027	36,258
2028-2030	108,774
Total	<u>\$290,064</u>

**Note 10 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the District did not have outstanding encumbrances.

The fund balance of a special revenue fund is either restricted or committed. These restricted or committed amounts in the special revenue fund would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.



**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2022*

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**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the District received COVID-19 funding. 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.

**BLADENSBURG JOINT FIRE DISTRICT**  
*Knox County*  
*Combined Statement of Receipts, Disbursements and*  
*Changes In Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2021*

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 194,708	\$ -	\$ 36,258	\$ 230,966
Charges for Services	-	71,911	-	71,911
Intergovernmental	22,230	3,391	-	25,621
Earnings on Investments	351	-	-	351
Miscellaneous	19,273	-	-	19,273
<i>Total Cash Receipts</i>	<u>236,562</u>	<u>75,302</u>	<u>36,258</u>	<u>348,122</u>
<b>Cash Disbursements</b>				
Current Disbursements:				
General Government	96,048	-	-	96,048
Public Safety	132,890	45,124	-	178,014
Capital Outlay	384,250	-	-	384,250
Debt Service:				
Principal Retirement	-	-	26,972	26,972
Interest and Fiscal Charges	-	-	9,286	9,286
<i>Total Cash Disbursements</i>	<u>613,188</u>	<u>45,124</u>	<u>36,258</u>	<u>694,570</u>
<i>Excess Receipts Over (Under) Disbursements</i>	(376,626)	30,178	-	(346,448)
<b>Other Financing Receipts</b>				
Proceeds of Debt	309,250	-	-	309,250
<i>Total Other Financing Receipts</i>	<u>309,250</u>	<u>-</u>	<u>-</u>	<u>309,250</u>
<i>Net Change in Fund Cash Balance</i>	(67,376)	30,178	-	(37,198)
<i>Fund Cash Balances, January 1, 2021</i>	<u>311,387</u>	<u>88,805</u>	<u>-</u>	<u>400,192</u>
<i>Fund Cash Balances, December 31, 2021</i>	<u>\$ 244,011</u>	<u>\$ 118,983</u>	<u>\$ -</u>	<u>\$ 362,994</u>

*See accompanying notes to the financial statements*

# BLADENSBURG JOINT FIRE DISTRICT

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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## **Note 1 – Reporting Entity**

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## **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***

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### ***Basis of Accounting***

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# BLADENSBURG JOINT FIRE DISTRICT

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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## **Note 2 – Summary of Significant Accounting Policies (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 (C) 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 fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

### ***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.

### ***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.

### ***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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District.

***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.

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$548,302	\$545,812	(\$2,490)
Special Revenue	56,500	75,302	18,802
Debt Service	36,258	36,258	-

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$807,479	\$613,188	\$194,291
Special Revenue	120,243	45,124	75,119
Debt Service	36,258	36,258	-

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 4 – Deposits**

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the District's deposit accounts is as follows:

	<u>2021</u>
<b><i>Cash Management Pool:</i></b>	
Demand deposits	<u>\$362,994</u>
<i>Total carrying amount of deposits held in the pool</i>	<u><u>\$362,994</u></u>

The District does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the District is holding \$0 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the District; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 5 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Public utilities are also taxed on personal and real property located within the District.

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

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 6 – Risk Management**

***Commercial Insurance***

The District has obtained commercial insurance for the following risks:

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

There has been no significant reduction in coverage limits from the prior year. Settled claims did not exceed coverage for any of the past three years.

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

The Fiscal Officer belongs 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, 2021.

***Social Security***

All other District 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, 2021.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 9 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2020 Pumper Fire Truck Loan	<u>\$282,277</u>	3%
Total	<u><u>\$282,277</u></u>	

In 2020, the District, under a government obligation contract, took out a loan for \$309,250, for the purchase of a pumper truck. This loan will be repaid in annual installments over ten years. The first payment was made in July 2021.

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

Year Ending December 31:	Amount
2022	\$36,258
2023	36,258
2024	36,258
2025	36,258
2026	36,258
2027-2030	145,032
Total	<u><u>\$326,322</u></u>

**Note 10 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the District did not have outstanding encumbrances.

The fund balance of special revenue fund is either restricted or committed. These restricted or committed amounts in the special revenue fund would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.



**BLADENSBURG JOINT FIRE DISTRICT**

*Knox County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. 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**

Bladensburg Joint Fire District  
Knox County  
P.O. Box 85  
Martinsburg, Ohio 43037

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type for the years ended December 31, 2022 and 2021, and the related notes to the financial statements of the Bladensburg Joint Fire District, Knox County, (the District) and have issued our report thereon dated June 20, 2023, wherein we noted that the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings as items 2022-001 and 2022-002 that we consider to be material weaknesses.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Audit Findings as item 2022-002.

We also noted matters not requiring inclusion in this report that were reported to the District's management in a separate letter dated June 20, 2023.

### ***District's Responses to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying corrective action plan. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
June 20, 2023

BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY

Schedule of Findings  
December 31, 2022 and 2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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**Finding Number 2022-001 – Material Weakness**

Audit Adjustments, Reclassifications and Notes to the Financial Statements

During 2022 and 2021, errors were noted in the District’s financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- In 2021, an adjustment was made to record \$309,250 of General Fund loan proceeds and the related capital outlay expenditure for the purchase of a fire truck.
- In 2022 and 2021 adjustments were made for \$75,000 and \$12,397, respectively for capital outlay expenditures that were erroneously recorded as other financing uses and public safety.
- In 2022 and 2021, miscellaneous general fund receipts in the amounts of \$16,886 and \$19,273, respectively, were reclassified from intergovernmental receipts.
- In 2022, proceeds from the sale of assets totaling \$12,579 were reclassified from miscellaneous receipts.
- In 2022 and 2021, charges for services receipts in the amounts of \$52,423 and \$63,068 respectively were reclassified from intergovernmental receipts and miscellaneous receipts.
- The notes to the financial statements for both 2022 and 2021 required changes for information that was missing or incorrect.

The accompanying financial statements and the District’s records have been adjusted to properly reflect these transactions. Other immaterial adjustments were noted and communicated to management.

Sound financial reporting is the responsibility of the District and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the District adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Uniform Accounting Network Manual and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements.

Management’s Response:

See Corrective Action Plan on page 24.

BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY

Schedule of Findings – (Continued)  
December 31, 2022 and 2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)
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**Finding Number 2022-002 – Material Weakness/Noncompliance – Revenue Posting**

**Ohio Rev. Code § 5705.10(D)** provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. All revenue derived from a source other than the general property tax, for which the law does not prescribe use for a particular purpose, including interest earned on the principal of any special fund, regardless of the source or purpose of the principal, shall be paid into the general fund.

The District posted receipts to improper funds as follows:

- In 2022, Debt Service Fund property taxes totaling \$36,258 were incorrectly posted to the General Fund and a transfer from the General Fund to the Debt Service fund was incorrectly recorded.
- In 2021, Special Revenue Fund charges for services receipts totaling \$8,843 were incorrectly posted to the General Fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting these misstatements.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The District should implement internal control procedures to review revenue sources for possible restrictions. This will help ensure all receipts are posted to the proper funds.

Management's Response:

See Corrective Action Plan on page 24.

BLADENSBURG JOINT FIRE DISTRICT  
 KNOX COUNTY  
 For the Years Ended December 31, 2022 and 2021

CORRECTIVE ACTION PLAN – PREPARED BY MANAGEMENT

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	The Clerk will review the Auditor of State guidance as a reference when recording transactions and establish the appropriate accounts in UAN for the proper recording of transactions.	12/31/2023	Kimberly Rine, Fiscal Officer
2022-002	The Clerk will review <b>5705.10(D) of the Ohio Rev. Code</b> and implement controls over the process of recording restricted receipts.	12/31/2023	Kimberly Rine, Fiscal Officer

# OHIO AUDITOR OF STATE KEITH FABER



**BLADENSBURG JOINT FIRE DISTRICT**

**KNOX 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 8/8/2023**

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](http://www.ohioauditor.gov)