



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

West Licking Joint Fire District
Licking County
7125 Mink Street
Pataskala, Ohio 43062

To the Board of Trustees:

We have audited the accompanying financial statements of the West Licking Joint Fire District, Licking County, (the District) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the West Licking Joint Fire District, as of December 31, 2001 and December 31, 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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JIM PETRO
Auditor of State

April 18, 2002

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**WEST LICKING JOINT LICKING FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Local Taxes	3,205,485	278,874	3,484,359
Intergovernmental	431,350	36,919	468,269
Earnings on Investments	96,180	25,004	121,184
Gifts & Donations	5,986	100,000	105,986
Miscellaneous	57,118	-	57,118
	<u>3,796,119</u>	<u>440,797</u>	<u>4,236,916</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Fringe Benefits	2,747,870	-	2,747,870
Repairs and Maintenance	53,920	-	53,920
Insurance	29,089	-	29,089
Supplies	69,732	35,350	105,082
Utilities	36,690	-	36,690
Other	58,408	5,497	63,905
Capital Outlay	6,517	281,268	287,785
	<u>3,002,226</u>	<u>322,115</u>	<u>3,324,341</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>793,893</u>	<u>118,682</u>	<u>912,575</u>
Other Financing Receipts/(Disbursements):			
Other Uses	<u>(605)</u>	<u>-</u>	<u>(605)</u>
Total Other Financing Receipts/(Disbursements)	<u>(605)</u>	<u>-</u>	<u>(605)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	793,288	118,682	911,970
Fund Cash Balances, January 1	<u>2,112,106</u>	<u>242,787</u>	<u>2,354,893</u>
Fund Cash Balances, December 31	<u>2,905,394</u>	<u>361,469</u>	<u>3,266,863</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

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

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Cash Receipts:			
Local Taxes	3,099,403	275,135	3,374,538
Intergovernmental	363,410	30,328	393,738
Earnings on Investments	156,605	20,879	177,484
Gifts & Donations	1,275	-	1,275
Miscellaneous	13,986	-	13,986
Total Cash Receipts	3,634,679	326,342	3,961,021
Cash Disbursements:			
Current:			
Salaries and Fringe Benefits	2,588,637	-	2,588,637
Repairs and Maintenance	64,933	-	64,933
Insurance	24,261	-	24,261
Supplies	65,956	128,471	194,427
Utilities	33,151	-	33,151
Other	50,285	7,542	57,827
Capital Outlay	688,739	344,256	1,032,995
Total Disbursements	3,515,962	480,269	3,996,231
Total Receipts Over/(Under) Disbursements	118,717	(153,927)	(35,210)
Other Financing Receipts/(Disbursements):			
Other Uses	(511)	-	(511)
Total Other Financing Receipts/(Disbursements)	(511)	-	(511)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	118,206	(153,927)	(35,721)
Fund Cash Balances, January 1	1,993,900	396,714	2,390,614
Fund Cash Balances, December 31	2,112,106	242,787	2,354,893

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

West Licking Joint Fire District, Licking County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an appointed six-member Board of Trustees. One board member is appointed by each political subdivision within the District. Those subdivisions are Etna Township, Jersey Township, Harrison Township, Kirkersville Village, Reynoldsburg City and Pataskala City. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

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

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made.

The District did not encumber all commitments as required by Ohio Law.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving the employment. Unpaid vacation and sick leave are not reflected as a liability under the District's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$ (39,737)	\$ 44,135
STAR Ohio	3,306,600	2,310,758
Total deposits and investments	<u>\$ 3,266,863</u>	<u>\$ 2,354,893</u>

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,579,650	\$3,796,119	\$216,469
Special Revenue	308,880	440,797	131,917
Total	\$3,888,530	\$4,236,916	\$348,386

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,144,105	\$3,002,831	\$141,274
Special Revenue	548,247	322,115	226,132
Total	\$3,692,352	\$3,324,946	\$367,406

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,438,700	\$3,634,679	\$195,979
Special Revenue	297,100	326,342	29,242
Total	\$3,735,800	\$3,961,021	\$225,221

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,874,648	\$3,516,473	(\$641,825)
Special Revenue	416,043	480,269	(64,226)
Total	\$3,290,691	\$3,996,742	(\$706,051)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the general fund by \$641,825 and in the special revenue fund by \$64,226 for the year ended December 31, 2000.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. PROPERTY TAX

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

The District's full-time fire fighters belong to the Police and Firemen's Disability and Pension Fund (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, the District contributed an amount equal to 34% of employee wages, which included the employee share of 10% and employer share of 24% to PFDPF. PERS member employees contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries in 2001 and for the period of January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% from July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

The District is a member of the Ohio Governmental Risk Management (the Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool may also assess supplemental premiums. The District had the following coverage through the Pool:

<u>Description</u>	<u>Limit</u>
Property	\$930,000
Liability	2,000,000/4,000,000
Wrongful Acts	2,000,000/3,000,000
Automobile	2,000,000
Bond	10,000
Inland Marine	78,775
Fire Vehicle RC	1,542,076
EDP	72,477

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



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

West Licking Joint Fire District
Licking County
7125 Mink Street
Pataskala, Ohio 43062

To the Board of Trustees:

We have audited the accompanying financial statements of the West Licking Joint Fire District, Licking County (the District) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-40645-001 and 2001-40645-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 18, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 18, 2002.

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

JIM PETRO
Auditor of State

April 18, 2002

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-40645-001

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

The District passed annual appropriations at the fund-object level for general fund and at the fund level for the special revenue fund. Expenditures exceeded appropriations at the legal level of control as follows:

2000

Fund-Object	Appropriation	Expenditures	Variance
General Fund			
Disability & Pension - 10-A-4	535,134	540,250	(5,116)
Equipment & Communication Maintenance -10-A-6B	15,000	16,480	(1,480)
Utilities - 10-A-7	30,000	33,151	(3,151)
Fleet (gasoline, etc.) - 10-A-9d	19,000	21,635	(2,635)
Vehicle Repairs - 10-A-10	30,000	34,637	(4,637)
Health, Life & Dental - 10-A-14b	180,700	181,197	(497)
Other - 10-A-15	50,000	732,062	(682,062)
Special Revenue Fund	416,043	480,269	(64,226)

2001

Fund- Object	Appropriation	Expenditures	Variance
General Fund			
Worker's Compensation - 10-A-3	\$45,000	\$55,255	(\$10,255)
Vehicle, Liability, Etc. - 10-A-14a	28,000	29,089	(1,089)
Health, Life & Dental - 10-A-14b	220,000	222,971	(2,971)
Other - 10-A-15	55,000	58,408	(3,408)

The Clerk should deny payment requests exceeding appropriations. The Clerk may request the Board to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

FINDING NUMBER 2001-40645-002

Ohio Rev. Code § 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Eighty three percent of expenditures tested were made prior to the certification of funds

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>

**FINDING NUMBER 2001-40645-002
(Continued)**

We recommend the Clerk ensure funds are certified as available prior to the expenditure through the issuance of a purchase order, a blanket or super blanket certificate. One blanket certificate can be issued for each line item appropriation, not to exceed three months or \$5,000 for recurring and reasonably predictable operating expenses. These blanket certificates should be canceled at the end of each fiscal year. A super blanket certificate can be issued for any amount and any time period, not to exceed the fiscal year. More than one super blanket certificate can be outstanding for an appropriation line item.

Also, as an alternative, the Clerk can issue then and now certificates for expenditures made prior to the certification up to \$1,000. Then and now certificates allow the Clerk to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds were available. These certificates can be certified by the Clerk without subsequent authorization from the Board. However, then and now certificates issued by the Clerk in excess of \$1,000 must be authorized by the Board within thirty days after payment. If authorization is not made within thirty days, there is no legal liability on the part of the District.



STATE OF OHIO
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WEST LICKING JOINT FIRE DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 18, 2002**