

428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave.
Parkersburg, WV 26101
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569



Certified Public Accountants, A.C.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY
Regular Audit
For the Years Ended December 31, 2015 and 2014**

www.perrycpas.com

...“bringing more to the table”

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll

Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •

• Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

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, 2014 through December 31, 2015. 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 "Dave Yost".

Dave Yost
Auditor of State

July 20, 2016

This page intentionally left blank.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion & Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position – Cash Basis – December 31, 2015	9
Statement of Activities – Cash Basis – For the Year Ended December 31, 2015.....	10
Fund Financial Statements	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – December 31, 2015.....	11
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2015.....	12
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2015.....	13
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Special Levy Fund – For the Year Ended December 31, 2015.....	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire & Rescue, Ambulance and EMS Fund – For the Year Ended December 31, 2015.....	15
Government-wide Financial Statements	
Statement of Net Position – Cash Basis – December 31, 2014	16
Statement of Activities – Cash Basis – For the Year Ended December 31, 2014.....	17
Fund Financial Statements	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – December 31, 2014.....	18
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2014.....	19
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2014.....	20

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**TABLE OF CONTENTS
(CONTINUED)**

TITLE	PAGE
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire & Rescue, Ambulance and EMS Fund – For the Year Ended December 31, 2014	21
Notes to the Financial Statements	22
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	37
Schedule of Audit Findings	39
Schedule of Prior Audit Findings.....	40



428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave.
Parkersburg, WV 26101
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

INDEPENDENT AUDITOR'S REPORT

June 24, 2016

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 cash-basis financial statements of the governmental activities, each major fund, and aggregate remaining information of **West Licking Joint Fire District**, Licking County, (the District) as of and for the years ended December 31, 2015 and 2014 and the related notes to the financial statements, which collectively comprise the Government's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for 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 these 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 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.



...“bringing more to the table”

Tax- Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •

• Association of Certified Anti - Money Laundering Specialists •



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Licking Joint Fire District, Licking County, Ohio, as of December 31, 2015 and 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General, Special Levy, and Fire & Rescue, Ambulance and EMS Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to Management's Discussion & Analysis, as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016 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 and Associates
Certified Public Accountants, A.C.,
Marietta, Ohio

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
UNAUDITED**

This discussion and analysis of the West Licking Joint Fire District's financial performance provides an overall review of the District's financial activities for the years ended December 31, 2015 and 2014, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2015 are as follows:

Net position of governmental activities decreased \$486,221 as compared to 2014.

The District's general receipts are primarily property taxes. These receipts represent respectively 78 percent of the total cash received for governmental activities during the year. Grants and Entitlement receipts for 2015 increased in comparison to 2014 while General Government disbursements decreased. Fees charged to contractors or businesses for various inspections provided supplemental, but very minimal, income during 2015.

The District had \$9,403,264 in disbursements during 2015.

Key highlights for 2014 are as follows:

Net position of governmental activities decreased \$700,540 as compared to 2013.

The District's general receipts are primarily property taxes. These receipts represent respectively 78 percent of the total cash received for governmental activities during the year. Property tax and interest receipts for 2014 decreased in comparison to 2013 while Public Safety disbursements increased. Fees charged to contractors or businesses for various inspections provided supplemental, but very minimal, income during 2014.

The District had \$9,533,010 in disbursements during 2014.

Using the Basic Financial Statements

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

Report Components

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

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

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
UNAUDITED**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting for 2015 and 2014. Cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

Reporting the Government as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2015 and 2014, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the District at year end.

The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts. The statement of activities compares cash disbursements with program receipts for each governmental program. The District's program revenues were \$828,905 and \$833,269 for 2015 and 2014, respectively.

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

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

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
UNAUDITED**

Reporting the District's Most Significant Funds

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

Governmental Funds - All of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, and Ambulance EMS Fund for 2014 and General Fund, Ambulance EMS Fund and Special Levy Fund for 2015. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The District as a Whole

Table 1 provides a summary of the District's net position for 2015 compared to 2014 on a cash basis:

(Table 1)

Net Position

	Governmental Activities		
	2015	2014	2013
Assets			
Cash and Cash Equivalents	\$ 5,619,883	\$ 6,106,104	\$ 6,806,644
Total Assets	\$ 5,619,883	\$ 6,106,104	\$ 6,806,644
Net Position			
Restricted for:			
Capital Projects	\$ 580,274	\$ 340,560	\$ -
Other Purposes	1,312,153	2,022,731	1,367,415
Unrestricted	3,727,456	3,742,813	5,439,229
Total Net Position	\$ 5,619,883	\$ 6,106,104	\$ 6,806,644

- As mentioned previously, net position of governmental activities decreased \$486,221 in 2015 compared to 2014; and decreased \$700,540 in 2014 compared to 2013.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
UNAUDITED**

Table 2 reflects the changes in net position on a cash basis in 2015 and 2014 for governmental activities.

(Table 2)

Changes in Net Position

	Governmental Activities		
	2015	2014	2013
Receipts:			
Program Receipts:			
Charges for Services	828,905	833,269	826,955
Total Program Receipts	828,905	833,269	826,955
General Receipts:			
Property and Other Local Taxes	6,977,569	6,853,190	7,089,858
Sale of Fixed Assets	17,755	-	4,986
Grants and Entitlements Not Restricted to Specific Programs	985,130	1,017,961	1,066,543
Interest	14,484	4,509	23,996
Miscellaneous	93,200	123,541	24,959
Total General Receipts	8,088,138	7,999,201	8,210,342
Total Receipts	8,917,043	8,832,470	9,037,297
Disbursements:			
General Government	9,183,908	8,588,603	9,211,401
Capital Outlay	219,356	944,407	528,781
Total Disbursements	9,403,264	9,533,010	9,740,182
Excess (Deficiency)	(502,499)	(700,540)	(702,885)
Transfers			
Increase (Decrease) in Net Position	(486,221)	(700,540)	(702,885)
Net Position, January 1	6,106,104	6,806,644	7,509,529
Net Position, December 31	\$5,619,883	\$6,106,104	\$6,806,644

General receipts in 2015 represent 91 percent of the District's total receipts, and of this amount, approximately 86 percent are property taxes. Earnings on investments in 2015 were not substantial, equaling \$14,484 due to the poor economy and lower investment returns. The 2014 investments interest was lower than 2013, by \$19,487 due to the CD maturity dates. Other receipts are insignificant and somewhat unpredictable revenue sources.

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
UNAUDITED**

Governmental Activities

If you look at the Statement of Activities on page 10 and 17, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government which accounts for 98 percent and 90 percent of all governmental disbursements in 2015 and 2014, respectively.

(Table 3)

	Governmental Activities		
	Total Cost of Services	Total Cost of Services	Total Cost of Services
	2015	2014	2013
General Government	\$9,183,908	\$8,588,603	\$9,211,401
Capital Outlay	219,356	944,407	528,781
Total Expenses	\$9,403,264	\$9,533,010	\$9,740,182

The dependence upon property tax receipts is apparent as the largest percentage of governmental activities was supported through these general receipts in 2015 and 2014.

The District's Funds

Total governmental funds in 2015 had receipts of \$8,917,043 and disbursements of \$9,403,264; in 2014 receipts totaled \$8,832,470 and disbursements of \$9,533,010. The greatest net change within governmental funds occurred within the General Fund in 2015 – the net fund balance of the General Fund decreased from \$5,122,498 to \$4,519,352 – a decrease of \$603,146.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. Final General Fund disbursements in 2015 were budgeted at \$8,874,600 while actual disbursements were \$8,312,849. The Special Levy Fund disbursements were budgeted at \$234,200 while actual disbursements were \$229,336. The Fire & Rescue, Ambulance and EMS Fund disbursements were budgeted at \$1,116,685 while actual disbursements were \$998,885. Final General Fund disbursements in 2014 were budgeted at \$9,120,140 while actual disbursements were \$7,934,985. The Fire & Rescue, Ambulance and EMS Fund disbursements were budgeted at \$1,099,854 while actual disbursements were \$765,544.

Capital Assets and Debt Administration

Capital Assets

The District maintains an inventory of its capital assets.

Debt

At December 31, 2015, the District had no outstanding debt.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
UNAUDITED**

Current Issues

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

Revenue –

1. The following levies was approved by the voters: a 1 mill levy in 2014 replacing a 1.5 mill levy that was expiring. A subsequent 2 mill levy was approved in 2014. In 2015, a 2.5 mill levy was renewed.
2. Investment earnings continued to be low both in 2015 and 2014 due to the economy and much lower interest rates in both STAR Ohio, and the CDARS Program through Park National Bank.

Local 3025 Collective Bargaining Agreement was ratified in July, 2015, to be retroactively effective November 1, 2014 through October 31, 2017.

A Master Plan was developed for the Fire District to review existing facilities and services, and determine locations to build future facilities that will best serve the residents' needs. Michael Schuster Associates was hired as the architect to develop the Plan.

As with other government entities, the cost of health care increased in both 2015 and 2014. Medical Mutual of Ohio was renewed as the major medical insurance provider. As of November 1, 2015 the District pays for 85% of employees' health insurance premiums – major medical/prescription, dental, and vision coverage; and in 2014 the District paid for 88% of the employees' health insurance premiums – major medical/prescriptions, dental and vision coverage. The District pays 100% of AD&D and life insurance premiums. The District also participates in a self-funding program to help lower major medical insurance premiums.

The District maintains its own website: www.westlickingfire.org

Contacting the District's Financial Management

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2015**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 5,619,883
<i>Total Assets</i>	<u>\$ 5,619,883</u>
 Net Position	
Restricted for:	
Capital Projects	\$ 580,274
Other Purposes	1,312,153
Unrestricted	3,727,456
<i>Total Net Position</i>	<u>\$ 5,619,883</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Cash Disbursements	Program Cash Receipts Charges for Services and Sales	Net (Disbursements) Receipts and Changes in Net Assets
			Governmental Activities
Governmental Activities			
General Government	\$ 9,183,908	\$ 828,905	\$ (8,355,003)
Capital Outlay	219,356	-	(219,356)
<i>Total Governmental Activities</i>	<u>\$ 9,403,264</u>	<u>\$ 828,905</u>	<u>\$ (8,574,359)</u>
General Receipts			
Property Taxes			6,977,569
Grants and Entitlements not Restricted to Specific Programs			985,130
Sale of Fixed Assets			17,755
Earnings on Investments			14,484
Miscellaneous			93,200
<i>Total General Receipts</i>			8,088,138
Change in Net Position			(486,221)
<i>Net Position Beginning of Year</i>			6,106,104
<i>Net Position End of Year</i>			<u>\$ 5,619,883</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	<u>GENERAL</u>	<u>SPECIAL LEVY</u>	<u>FIRE & RSC AMBULANCE EMS</u>	<u>OTHER GOVERNMENTAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 4,519,352	\$ 580,274	\$ 520,251	\$ 6	\$ 5,619,883
<i>Total Assets</i>	<u>\$ 4,519,352</u>	<u>\$ 580,274</u>	<u>\$ 520,251</u>	<u>\$ 6</u>	<u>\$ 5,619,883</u>
Fund Balances					
Restricted	\$ -	\$ 580,274	\$ 520,251	\$ -	\$ 1,100,525
Committed	-	-	-	6	6
Assigned	791,896	-	-	-	791,896
Unassigned	3,727,456	-	-	-	3,727,456
<i>Total Fund Balances</i>	<u>\$ 4,519,352</u>	<u>\$ 580,274</u>	<u>\$ 520,251</u>	<u>\$ 6</u>	<u>\$ 5,619,883</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, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>GENERAL</u>	<u>SPECIAL LEVY</u>	<u>FIRE & RSC AMBULANCE EMS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash Receipts:					
Property and Other Local Taxes	\$6,578,349	\$ 399,220	\$ -	\$ -	\$ 6,977,569
Charges for Services	-	-	828,905	-	828,905
Intergovernmental	934,762	50,368	-	-	985,130
Earnings on Investments	14,484	-	-	-	14,484
Miscellaneous	93,105	-	95	-	93,200
Total Cash Receipts	<u>7,620,700</u>	<u>449,588</u>	<u>829,000</u>	<u>-</u>	<u>8,899,288</u>
Cash Disbursements:					
Current:					
General Government	8,223,846	6,338	953,724	-	9,183,908
Capital Outlay	-	219,356	-	-	219,356
Total Cash Disbursements	<u>8,223,846</u>	<u>225,694</u>	<u>953,724</u>	<u>-</u>	<u>9,403,264</u>
Excess of Receipts over (under) Disbursements	(603,146)	223,894	(124,724)	-	(503,976)
Other Financing Sources:					
Sale of Fixed Assets	-	17,755	-	-	17,755
Total Other Financing Sources	<u>-</u>	<u>17,755</u>	<u>-</u>	<u>-</u>	<u>17,755</u>
<i>Net Change in Fund Cash Balance</i>	(603,146)	241,649	(124,724)	-	(486,221)
<i>Fund Cash Balance, January 1</i>	<u>5,122,498</u>	<u>338,625</u>	<u>644,975</u>	<u>6</u>	<u>6,106,104</u>
Fund Cash Balance, December 31	<u>\$4,519,352</u>	<u>\$ 580,274</u>	<u>\$ 520,251</u>	<u>\$ 6</u>	<u>\$ 5,619,883</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$ 6,560,762	\$ 6,560,762	\$ 6,578,349	\$ 17,587
Intergovernmental	962,401	962,401	934,762	(27,639)
Earnings on Investments	3,500	3,500	14,484	10,984
Miscellaneous	27,630	27,630	93,105	65,475
<i>Total Receipts</i>	<u>7,554,293</u>	<u>7,554,293</u>	<u>7,620,700</u>	<u>66,407</u>
Disbursements:				
Current:				
General Government	<u>8,874,600</u>	<u>8,874,600</u>	<u>8,312,849</u>	<u>561,751</u>
<i>Total Disbursements</i>	<u>8,874,600</u>	<u>8,874,600</u>	<u>8,312,849</u>	<u>561,751</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,320,307)</u>	<u>(1,320,307)</u>	<u>(692,149)</u>	<u>628,158</u>
<i>Net Change in Fund Cash Balance</i>	(1,320,307)	(1,320,307)	(692,149)	628,158
<i>Unencumbered Cash Balance Beginning of Year</i>	5,034,608	5,034,608	5,034,608	-
Prior Year Encumbrances Appropriated	<u>87,890</u>	<u>87,890</u>	<u>87,890</u>	<u>-</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 3,802,191</u>	<u>\$ 3,802,191</u>	<u>\$ 4,430,349</u>	<u>\$ 628,158</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL LEVY FUND**

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$ 383,811	\$ 383,811	\$ 399,220	\$ 15,409
Intergovernmental	49,415	49,415	50,368	953
<i>Total Receipts</i>	<u>433,226</u>	<u>433,226</u>	<u>449,588</u>	<u>16,362</u>
Disbursements:				
Current:				
General Government	6,500	6,500	6,338	162
Capital Outlay	227,700	227,700	222,998	4,702
<i>Total Disbursements</i>	<u>234,200</u>	<u>234,200</u>	<u>229,336</u>	<u>4,864</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>199,026</u>	<u>199,026</u>	<u>220,252</u>	<u>21,226</u>
Other Financing Sources				
Sale of Fixed Assets	-	-	17,755	17,755
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>17,755</u>	<u>17,755</u>
<i>Net Change in Fund Cash Balance</i>	199,026	199,026	238,007	38,981
<i>Unencumbered Cash Balance Beginning of Year</i>	275,925	275,925	275,925	-
Prior Year Encumbrances Appropriated	62,700	62,700	62,700	-
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 537,651</u>	<u>\$ 537,651</u>	<u>\$ 576,632</u>	<u>\$ 38,981</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE & RESCUE, AMBULANCE AND EMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Charges for Services	\$ 800,001	\$ 800,001	\$ 828,905	\$ 28,904
Miscellaneous	-	-	95	95
<i>Total Receipts</i>	<u>800,001</u>	<u>800,001</u>	<u>829,000</u>	<u>28,999</u>
Disbursements:				
Current:				
General Government	1,081,685	1,116,685	998,885	117,800
<i>Total Disbursements</i>	<u>1,081,685</u>	<u>1,116,685</u>	<u>998,885</u>	<u>117,800</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(281,684)</u>	<u>(316,684)</u>	<u>(169,885)</u>	<u>146,799</u>
<i>Net Change in Fund Cash Balance</i>	(281,684)	(316,684)	(169,885)	146,799
<i>Unencumbered Cash Balance Beginning of Year</i>	801,424	801,424	801,424	-
Prior Year Encumbrances Appropriated	<u>30,007</u>	<u>30,007</u>	<u>30,007</u>	<u>-</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 549,747</u>	<u>\$ 514,747</u>	<u>\$ 661,546</u>	<u>\$ 146,799</u>

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

WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2014

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 6,106,104
<i>Total Assets</i>	<u>\$ 6,106,104</u>
Net Position	
Restricted for:	
Capital Projects	\$ 340,560
Other Purposes	2,022,731
Unrestricted	3,742,813
<i>Total Net Position</i>	<u>\$ 6,106,104</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Cash Disbursements</u>	<u>Program Cash Receipts Charges for Services and Sales</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
			<u>Governmental Activities</u>
Governmental Activities			
General Government	\$ 8,588,603	\$ 833,269	\$ (7,755,334)
Capital Outlay	944,407	-	(944,407)
<i>Total Governmental Activities</i>	<u>\$ 9,533,010</u>	<u>\$ 833,269</u>	<u>\$ (8,699,741)</u>
General Receipts			
Property Taxes			6,853,190
Grants and Entitlements not Restricted to Specific Programs			1,017,961
Earnings on Investments			4,509
Miscellaneous			123,541
<i>Total General Receipts</i>			7,999,201
Change in Net Position			(700,540)
<i>Net Position Beginning of Year</i>			6,806,644
<i>Net Position End of Year</i>			<u>\$ 6,106,104</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>GENERAL</u>	<u>FIRE & RSC AMBULANCE EMS</u>	<u>OTHER GOVERNMENTAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 5,120,563	\$ 644,975	\$ 338,625	\$ 6,104,163
<i>Total Assets</i>	<u>\$ 5,120,563</u>	<u>\$ 644,975</u>	<u>\$ 338,625</u>	<u>\$ 6,104,163</u>
Fund Balances				
Restricted	\$ -	\$ 644,975	\$ 338,625	\$ 983,600
Committed	-	-	6	6
Assigned	1,379,685	-	-	1,379,685
Unassigned	3,742,813	-	-	3,742,813
<i>Total Fund Balances</i>	<u>\$ 5,122,498</u>	<u>\$ 644,975</u>	<u>\$ 338,631</u>	<u>\$ 6,106,104</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, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>GENERAL</u>	<u>FIRE & RSC AMBULANCE EMS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash Receipts:				
Property and Other Local Taxes	\$ 6,478,377	\$ -	\$ 374,813	\$ 6,853,190
Charges for Services	-	833,269	-	833,269
Intergovernmental	927,957	-	90,004	1,017,961
Earnings on Investments	4,509	-	-	4,509
Miscellaneous	119,522	4,019	-	123,541
	<u>7,530,365</u>	<u>837,288</u>	<u>464,817</u>	<u>8,832,470</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	7,847,096	735,537	5,970	8,588,603
Capital Outlay	-	186,713	757,694	944,407
	<u>7,847,096</u>	<u>922,250</u>	<u>763,664</u>	<u>9,533,010</u>
Total Cash Disbursements				
Excess of Receipts over Disbursements	<u>(316,731)</u>	<u>(84,962)</u>	<u>(298,847)</u>	<u>(700,540)</u>
<i>Net Change in Fund Cash Balance</i>	(316,731)	(84,962)	(298,847)	(700,540)
<i>Fund Cash Balance, January 1</i>	<u>5,439,229</u>	<u>729,936</u>	<u>637,479</u>	<u>6,806,644</u>
Fund Cash Balance, December 31	<u>\$ 5,122,498</u>	<u>\$ 644,974</u>	<u>\$ 338,632</u>	<u>\$ 6,106,104</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$ 6,341,889	\$ 6,341,889	\$ 6,478,377	\$ 136,488
Intergovernmental	962,402	962,402	927,957	(34,445)
Earnings on Investments	20,000	20,000	4,509	(15,491)
Miscellaneous	15,000	15,000	119,522	104,522
<i>Total Receipts</i>	<u>7,339,291</u>	<u>7,339,291</u>	<u>7,530,365</u>	<u>191,074</u>
Disbursements:				
Current:				
General Government	9,120,140	9,120,140	7,934,985	1,185,155
<i>Total Disbursements</i>	<u>9,120,140</u>	<u>9,120,140</u>	<u>7,934,985</u>	<u>1,185,155</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,780,849)</u>	<u>(1,780,849)</u>	<u>(404,620)</u>	<u>1,376,229</u>
<i>Net Change in Fund Cash Balance</i>	(1,780,849)	(1,780,849)	(404,620)	1,376,229
<i>Unencumbered Cash Balance Beginning of Year</i>	5,373,087	5,373,087	5,373,087	-
Prior Year Encumbrances Appropriated	66,141	66,141	66,141	-
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 3,658,379</u>	<u>\$ 3,658,379</u>	<u>\$ 5,034,608</u>	<u>\$ 1,376,229</u>

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE & RESCUE, AMBULANCE AND EMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Charges for Services	\$ 800,000	\$ 800,000	\$ 833,269	\$ 33,269
Miscellaneous	-	-	4,019	4,019
<i>Total Receipts</i>	<u>800,000</u>	<u>800,000</u>	<u>837,288</u>	<u>37,288</u>
Disbursements:				
Current:				
General Government	899,854	1,099,854	765,544	334,310
<i>Total Disbursements</i>	<u>899,854</u>	<u>1,099,854</u>	<u>765,544</u>	<u>334,310</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(99,854)</u>	<u>(299,854)</u>	<u>71,744</u>	<u>371,598</u>
<i>Net Change in Fund Cash Balance</i>	(99,854)	(299,854)	71,744	371,598
<i>Unencumbered Cash Balance Beginning of Year</i>	711,741	711,741	711,741	-
Prior Year Encumbrances Appropriated	<u>17,939</u>	<u>17,939</u>	<u>17,939</u>	<u>-</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 629,826</u>	<u>\$ 429,826</u>	<u>\$ 801,424</u>	<u>\$ 371,598</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 YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 1 – Reporting Entity

The West Licking Joint Fire District, Licking County, Ohio (the District), is a body politic and corporate established in 1982 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an appointed six-member Board of Trustees. One board member is appointed by each political subdivision within the District. Those subdivisions are Etna Township, Jersey Township, Harrison Township, Village of Kirkersville, City of Reynoldsburg, and City of Pataskala. The District's Fiscal Officer is a full-time employee, receiving in addition to wages, OPERS and benefits.

A. Primary Government

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

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. There were no component units of the District for the year ended December 31, 2015.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District's accounting policies.

A. Basis of Presentation

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The District's major governmental funds are the General Fund, Special Levy Fund, and Fire & Rescue Ambulance EMS Fund in 2015, and General Fund, and Fire & Rescue Ambulance EMS Fund in 2014. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The Special Levy Fund receives tax and intergovernmental revenue for equipment and capital outlay expenditures related to fire equipment. The Fire & Rescue Ambulance EMS Fund receives charges for services directly related to Emergency Medical Service billings for direct costs of services.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

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

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

E. Cash and Investments

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2015 and 2014 the District maintained a general interest bearing checking account and invested with STAR Ohio and nonnegotiable certificates of deposits.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 2 – Summary of Significant Accounting Policies (Continued)

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2015 and 2014.

Interest earnings are allocated to District funds according to state statutes. Interest receipts credited to the General Fund during 2015 were \$14,484 and \$4,509 in 2014.

F. Restricted Assets

Cash and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. These items are not reflected as assets in the accompanying financial statements.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

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

K. Net Position

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

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 2 – Summary of Significant Accounting Policies (Continued)

L. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources.

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

Non-spendable The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of inter-fund loans.

Restricted Fund balance is reported as 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 The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of District Trustees. Those committed amounts cannot be used for any other purpose unless the District Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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 Un-assigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 3 – Budgetary Basis of Accounting

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

The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 4 – Deposits and Investments (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

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

The District maintains a deposit and investment pool that all funds use. The carrying amount of deposits and investments at December 31 was as follows:

	2015	2014
Demand deposits	\$ 1,392,380	\$ 829,603
Certificates of deposit	3,500,000	3,500,000
Total deposits	4,892,380	4,329,603
STAR Ohio	727,503	1,776,501
Total investments	727,503	1,776,501
Total deposits and investments	\$ 5,619,883	\$ 6,106,104

Deposits

Custodial credit risk for deposits is the risk that in event of bank failure, the District will not be able to recover deposits or collateral securities that are in position of an outside party. At December 31, 2015 and 2014 the District's bank balances were \$5,011,527 and \$4,999,430 respectively. Each year, the full amount of deposits including the Certificates of Deposit (CDARS) was insured through FDIC as required by the Ohio Revised Code.

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

Investments

The District has no investment policy beyond the requirement of state statute, found in ORC 135. As of December 31, 2015 and 2014 the District had \$727,503 and \$1,776,501, respectively, invested in STAR Ohio. Interest rate risk arises because the fair value of investment changes as interest rates change.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 4 – Deposits and Investments (Continued)

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

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

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

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2015 represent the collection of 2014 taxes. Real property taxes received in 2015 were levied after October 1, 2014, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2015 represent the collection of 2014 taxes. Public utility real and tangible personal property taxes received in 2015 became a lien on December 31, 2014, were levied after October 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property assessments have been phased out

The full tax rate for all District operations for the years ended December 31, 2015 and 2014 was \$1 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2015 and 2014 property tax receipts were based are as follows:

<u>Real Property</u>	<u>2015</u>	<u>2014</u>
Residential/Agriculture	\$ 796,168,270	\$ 789,783,382
Other Real Property	121,440,640	122,621,115
Total Assessed Value	\$ 970,548,050	\$ 938,357,967

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 6 – Risk Management

Risk Pool Membership

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

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

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

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2014 and 2013 (the latest information available)

	<u>2014</u>	<u>2013</u>
Assets	\$14,830,185	\$13,774,304
Liabilities	<u>(8,942,504)</u>	<u>(7,968,909)</u>
Members' Equity	<u>\$ 14,830,185</u>	<u>\$ 13,774,304</u>

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

The District also provides major medical, prescription, life, accidental death and dismemberment, dental and vision coverage at a cost of 12% of the premium from 11-1-2013 thru 10-31-2014, 12% of the premium from 11-1-2014 thru 10-31-2015 and 15% of the premium from 11-1-2015 thru 10-31-2016 per the current Collective Bargaining Agreement for full-time employees through private carriers.

Note 7 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees, other firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 7 – Defined Benefit Pension Plan (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 7 – Defined Benefit Pension Plan (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

- * This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- ** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contributions were \$35,107 for 2014 and \$33,239 for 2015.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – District full-time firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 7 – Defined Benefit Pension Plan (Continued)

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %
 2015 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50
Total Employer	24.00 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The District's contractually required contributions to OP&F were \$1,715,088 for 2014 and \$1,844,374 for 2015.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 8 – Post-Employment Benefits

A. Ohio Public Employees Retirement System

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

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund 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 of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

1. Funding Policy

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015 and 2014, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 8 – Post-Employment Benefits (Continued)

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015 and 2014. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The total employer contribution rate, in Section B, is the statutorily required contribution rates for OPERS. As part of this disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund health care. The portion of employer contributions that were used to fund health care were \$3,675 and \$1,938 for 2015 and 2014, respectively.

B. Ohio Police and Fire Pension Fund

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

1. Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 8 – Post-Employment Benefits (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2015 thru December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The District's contributions to OP&F for the years ending December 31, 2015, 2014, and 2013 were \$1,844,374, \$1,715,088 and \$1,900,395, respectively, of which \$38,732, \$36,017 and \$309,929, respectively, was allocated to the healthcare plan.

Note 9 – Contingent Liabilities

Litigations and Claims

In the normal course of operations the District may be subject to litigation and claims. At December 31, 2015 the District was involved in one such matter. While the outcome of these matters cannot presently be determined, management believes that the ultimate resolution will not have a material effect on the financial statements.

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed cost or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recapture amounts would not have a material adverse effect on the overall financial position at December 31, 2015.

Note 10 – Subsequent Events

Management has evaluated subsequent events through June 24, 2016, the date on which the financial statements were available to be issued, and is not aware of any matter to disclose or to consider disclosing concerning such an event.



428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave.
Parkersburg, WV 26101
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

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

June 24, 2016

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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining information of **West Licking Joint Fire District, Licking County**, (the District) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 24, 2016, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the 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.

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 a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weaknesses. We consider finding 2015-001 a material weakness.



...“bringing more to the table”

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •



Compliance and Other Matters

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

We did, however, note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 24, 2016.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Schedule of Audit Findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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, 2015 AND 2014**

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

FINDING NUMBER 2015-001

Material Weakness

Preparing Accounting Records and Financial Statements

The following reclassifications were made to the December 31, 2014 financial statements and, where applicable, the accounting records:

- Reclassification of \$87,890 unassigned fund balance to assigned fund balance in the General Fund for outstanding encumbrances;
- Reclassification of \$1,289,860 unassigned fund balance to assigned fund balance in the General Fund for future appropriations that exceed estimated receipts;
- Reclassification of \$186,713 General Government to Capital Outlay for disbursement that was misclassified.

The following reclassifications were made to the December 31, 2015 financial statements and, where applicable, the accounting records:

- Reclassification of \$89,003 unassigned fund balance to assigned fund balance in the General Fund for outstanding encumbrances;
- Reclassification of \$702,893 unassigned fund balance to assigned fund balance in the General Fund for future appropriations that exceed estimated receipts.

The District should have procedures in place to help assure the proper recording of financial activity in the accounting records and financial statements to assist in the effective management and reporting of financial resources. The District's annual financial report filed with the state did not include Management's Discussion and Analysis or Notes to the Financial Statements. These supporting statements are required for entities filing under OCBOA standards.

The District did supply a Management's Discussion and Analysis (MD&A) and Notes to the Financial Statements when requested by the auditor. However, multiple corrections had to be made to the MD&A and the Notes to properly represent activity during the audit period presented in the report.

The District should utilize governmental accounting resources such as those provided on the Auditor of State website when preparing annual financial statements. In addition, a review should be performed of the financial statements and supporting records to help assure they are accurate, properly classified, and complete. The District may also consider using an outside accountant to help in the preparation of the MD&A and Notes to the Financial Statements.

Management's Response – We are in the process of taking steps to correct these issues and working with UAN to see what steps need to be done to correct this.

**WEST LICKING JOINT FIRE DISTRICT
LICKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2013-001	Financial Reporting	No	Partially Corrected; Repeated as 2015-001



Dave Yost • Auditor of State

WEST LICKING JOINT FIRE DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 2, 2016**