



OHIO AUDITOR OF STATE  
**KEITH FABER**





**PORT WILLIAM – LIBERTY TOWNSHIP JOINT FIRE AND EMS DISTRICT  
CLINTON COUNTY  
DECEMBER 31, 2020 AND 2019**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Port William - Liberty Township Joint Fire and EMS District  
Clinton County  
220 Second Street  
Port William, Ohio 45164

To the Board Members:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019 and related notes of the Port William - Liberty Township Joint Fire and EMS District, Clinton County, Ohio (the District).

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to opine on 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the District, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter:***

As discussed in Note 15 to the 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
June 14, 2021

**Port William - Liberty Township Joint Fire and EMS District**  
*Clinton County*  
**Combined Statement of Receipts, Disbursements and**  
**Changes In Fund Balances (Regulatory Cash Basis)**  
*All Governmental Fund Types*  
**For the Year Ended December 31, 2020**

	All Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$254,522	\$0	\$88,272		\$342,794
Charges for Services		9,414			9,414
Intergovernmental	3,116	13,120	1,081		17,317
Earnings on Investments	727	9	40	23	799
Miscellaneous	10,862				10,862
<i>Total Cash Receipts</i>	<u>269,227</u>	<u>22,543</u>	<u>89,393</u>	<u>23</u>	<u>381,186</u>
<b>Cash Disbursements</b>					
Current Disbursements:					
General Government	49,148		2,064		51,212
Public Safety	19,398	16,533			35,931
Capital Outlay	41,278	1,919		708,225	751,422
Debt Service:					
Principal Retirement			52,199		52,199
Interest and Fiscal Charges			7,681		7,681
<i>Total Cash Disbursements</i>	<u>109,824</u>	<u>18,452</u>	<u>61,944</u>	<u>708,225</u>	<u>898,445</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>159,403</u>	<u>4,091</u>	<u>27,449</u>	<u>(708,202)</u>	<u>(517,259)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Bonds				728,681	728,681
Transfers In			22,984		22,984
Transfers Out	(22,984)				(22,984)
Advances In	4,878			12,328	17,206
Advances Out	(12,328)			(4,878)	(17,206)
Other Financing Sources	27,906				27,906
Other Financing Uses				(27,906)	(27,906)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(2,528)</u>	<u>0</u>	<u>22,984</u>	<u>708,225</u>	<u>728,681</u>
<i>Net Change in Fund Cash Balance</i>	156,875	4,091	50,433	23	211,422
<i>Fund Cash Balances, January 1</i>	<u>489,107</u>	<u>8,865</u>			<u>497,972</u>
<b>Fund Cash Balances, December 31</b>	<u><u>645,982</u></u>	<u><u>12,956</u></u>	<u><u>50,433</u></u>	<u><u>23</u></u>	<u><u>709,394</u></u>

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

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**District Name**  
*ABC County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 20CY*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Port William-Liberty Township Joint Fire and EMS District, Clinton County, (the District) as a body corporate and politic. The Port William-Liberty Township Joint Fire and EMS District was formed on February 1, 2013 by the Village of Port William and Liberty Township. A Three member Board of Trustees governs the District. Each political subdivision within the District appoints one member who is a Township Trustee and One member who is a representative of the Village. One member shall be appointed by mutual consent by both political subdivisions. Those subdivisions are the Village of Port William, Clinton County and Liberty Township, Clinton County. The District provides fire protection and rescue services within the District

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

***Ambulance and Emergency Medical Services Fund*** This fund receives revenue from the billing of emergency runs.

***Coronavirus Relief Fund*** This fund receives and expends revenue received as a subgrant from Liberty Township.

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

***General Bond Retirement Fund*** This fund receives money that is used to pay the principal and interest due on the bonds issued for the Life Squad.

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**General Firehouse Bond Retirement Fund** This Fund receives money collected from the Bond Issue for the retirement of debt for the construction of the new firehouse.

**Capital Project Funds**

**Firehouse Construction Bond Fund** This fund receives loan money from USDA used for expenditures for the construction of the new firehouse.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

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

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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***Fund Balance***

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

***Nonspendable*** The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

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

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

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$225,000	\$297,133	\$72,133
Special Revenue	22,534	22,543	9
Debt Service	96,931	112,377	15,446
Capital Projects	820,531	728,704	(91,827)
Total	<u>\$1,164,996</u>	<u>\$1,160,757</u>	<u>(\$4,239)</u>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$636,190	\$132,838	\$503,352
Special Revenue	29,712	18,694	11,018
Debt Service	96,930	61,945	34,985
Capital Projects	736,131	736,131	(0)
Total	<u>\$1,498,963</u>	<u>\$949,608</u>	<u>\$549,355</u>

**Note 4 – Deposits and Investments**

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

	<u>2020</u>
Demand deposits	<u>\$709,394</u>
Total deposits	<u>709,394</u>
Total deposits and investments	<u><u>\$709,394</u></u>

***Deposits***

Deposit are or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposits with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due February 14. The second half payment is due the following July 20.

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

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

**Note 6 – Interfund Balances**

Outstanding advances at December 31, 2020, consisted of \$7,550 advanced to the Firehouse Construction Bond Fund to provide working capital needed for the Firehouse Project.

**Note 7 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

The District has obtained commercial insurance for the following risks:

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

The District changed insurance policies in August of 2020.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, of participants' gross salaries. The District

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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has paid all contributions required through December 31, 2020.

***Social Security***

Some of the District’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2020.

**Note 9 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member directed plan was 4.0 percent during calendar year 2020.

**Note 10 – Debt**

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ambulance Acquisition Bonds	\$126,800	2.375%
Fire Station Bonds	\$695,982	2.750%
Total	<u>\$822,782</u>	

***Ambulance Acquisition Bonds***

In December of 2016 the District issued general obligation bonds in the amount of \$202,000 to finance the purchase of a new Ambulance. The bonds have an interest rate of 2.375% with a maximum maturity of ten years. The District has a bond issue passed by the voters to fund the repayment of debt, but makes an election on a yearly basis not to collect the funds. Funds used to make payments on the bond issue are transferred from the General Fund to a Bond Retirement fund for retirement on the debt.

***Fire Station Bonds***

In January of 2020, the District issued general obligation bonds in the amount not to exceed \$1,500,000 to finance the construction of a new firehouse. The bonds have an interest rate of 2.75 % with a maximum maturity of 30 years. During 2020 the District received \$728,681.55 in loan funds from USDA Rural Development. The remainder of the loan amount up to \$1,500,000 will be received in 2021. The District has a voter approved tax levy to fund the retirement of the firehouse debt. The Funds are received and expended through the General Firehouse Bond Retirement Fund. On December 31, 2020, this fund had a

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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balance of \$50,433.

Amortization of the above debt includes the full amount of debt issuance, including interest, because it is a future liability of the district. The above debt is scheduled as follows:

Year ending December 31:	<u>Bonds</u>
2021	96,732
2022	96,627
2023	96,586
2024	96,915
2025	96,688
2026 - 2030	391,739
2031 - 2035	368,879
2036 - 2040	368,837
2041 - 2045	368,776
2046 - 2049	<u>295,056</u>
Total	<u>\$2,276,835</u>

The District has made all required debt payments through December 31, 2020.

**Note 11 – Construction and Contractual Commitments**

***Firehouse Construction Project***

In July 2020, The District began construction of a new firehouse located at 7211 North St. Rt. 134, Wilmington. As of December 31, 2020, the District owed \$675,720.18 in contracts to six contractors and the Architect. Construction on the new firehouse is planned for completion in the Spring of 2021.

**Note 12 – Public Entity Risk Pool**

***CareWorksComp***

The Fire District is a member of CareWorksComp, an Ohio Township Association Workers' Compensation Group Rating Program. CareWorksComp is a York Risk Services Company. Each year the Fire District pays an enrollment fee to participate in the group rating program.

**Note 13 – Fund Balances**

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Outstanding Encumbrances	30	242				272
Total	\$30	\$242	\$0	\$0	\$0	\$272

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 14 – Change in Accounting Principle**

For 2020, the District has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

**Note 15 – COVID-19**

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

During 2020, the Entity received \$12,796 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund (See AOS Bulletin 2000-008.) The District also received hand sanitizer dispensers and hand sanitizer from Liberty Township.



**Port William - Liberty Township Joint Fire and EMS District**  
*Clinton County*  
**Combined Statement of Receipts, Disbursements and**  
**Changes In Fund Balances (Regulatory Cash Basis)**  
*All Governmental Fund Types*  
**For the Year Ended December 31, 2019**

	All Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$115,448			\$115,448
Charges for Services		13,650		13,650
Intergovernmental	8,073			8,073
Earnings on Investments	2,062	25		2,087
Miscellaneous	1,193			1,193
<i>Total Cash Receipts</i>	<u>126,776</u>	<u>13,675</u>	<u>0</u>	<u>140,451</u>
<b>Cash Disbursements</b>				
Current Disbursements:				
General Government	69,898			69,898
Public Safety	16,522	12,678		29,200
Capital Outlay	23,074			23,074
Debt Service:				
Principal Retirement			19,000	19,000
Interest and Fiscal Charges			3,926	3,926
<i>Total Cash Disbursements</i>	<u>109,494</u>	<u>12,678</u>	<u>22,926</u>	<u>145,098</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>17,282</u>	<u>997</u>	<u>(22,926)</u>	<u>(4,647)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In			22,926	22,926
Transfers Out	(22,926)		0	(22,926)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(22,926)</u>	<u>0</u>	<u>22,926</u>	<u>0</u>
<i>Net Change in Fund Cash Balance</i>	(5,644)	997	0	(4,647)
<i>Fund Cash Balances, January 1</i>	<u>494,751</u>	<u>7,868</u>	<u>0</u>	<u>502,619</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		8,865	0	8,865
Assigned	395,983			395,983
Unassigned (Deficit)	93,124			93,124
<i>Fund Cash Balances, December 31</i>	<u>\$489,107</u>	<u>\$8,865</u>	<u>\$0</u>	<u>\$497,972</u>

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

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**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

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The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

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

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***General Bond Retirement Fund*** This fund receives money that is used to pay the principal and interest due on the bonds issued for the Life Squad.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is

## Port William-Liberty Township Joint Fire and EMS District

Clinton County

Notes to the Financial Statements

For the Year Ended December 31, 2019

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similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

### ***Budgetary Process***

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

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

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

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

A summary of 2019 budgetary activity appears in Note 3.

### ***Deposits and Investments***

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

### ***Capital Assets***

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

### ***Fund Balance***

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

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

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

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

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*For the Year Ended December 31, 2019*

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

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

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

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

**Note 3 – Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$113,000	\$126,776	\$13,776
Special Revenue	10,000	13,675	3,675
Debt Service	22,926	22,926	
Total	\$145,926	\$163,377	\$17,451

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$522,795	\$140,207	\$382,588
Special Revenue	15,274	12,904	2,370
Debt Service	22,926	22,926	0
Total	\$560,995	\$176,037	\$384,958

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 4 – Deposits and Investments**

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

	<u>2019</u>
Demand deposits	<u>\$497,972</u>
Total deposits	<u>497,972</u>

***Deposits***

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

**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due February 14. The second half payment is due the following July 20.

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

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

**Note 6 – Risk Management**

The District insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

***Commercial Insurance***

The District has obtained commercial insurance for the following risks:

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

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Social Security***

Some of the District’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**Note 8 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member directed plan was 4.0 percent during calendar year 2019.

**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ambulance Acquisition Bonds	<u>\$146,300</u>	2.375%
Total	<u><u>\$146,300</u></u>	

In December of 2016 the District issued general obligation bonds in the amount of \$202,000 to finance the purchase of a new Ambulance. The bonds have an interest rate of 2.375% with a maximum maturity of ten years. During 2016, the District received proceeds in the amount of \$191,350, for the purchase of the truck and equipment. The remaining proceeds in the amount of \$10,650 were received in January 2017.

Amortization of the above debt includes the full amount of debt issuance, including interest, because it is a future liability of the district. The above debt is scheduled as follows:

**Port William-Liberty Township Joint Fire and EMS District**

*Clinton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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Year ending December 31:	Ambulance Bonds
2020	22,984
2021	22,912
2022	22,939
2023	22,854
2024	22,965
2025-2026	45,884
Total	<u>\$160,538</u>

The District has made all required debt payments through December 31, 2019.

**Note 10 – Construction and Contractual Commitments**

***Firehouse Construction Project***

In July 2019, USDA obligated \$1,500,000.00 in funds at a 3.5% interest rate for 30 years for the construction of a new firehouse. In November 2019 the voters of the fire district approved a 30 year Bond Issue for \$1,500,000. The Proceeds from the bond issue will be used to service the debt for the firehouse construction bonds. On November 13, 2019, the Board of the Fire District approved a Loan Resolution to issue \$1,500,000 in bonds for the construction of the firehouse. The Firehouse will be constructed on a 2.512 acre tract of land deeded to the fire district by the Liberty Township Trustees. The tract is adjacent to the Liberty Township Building on St. Rt. 134, Wilmington.

**Note 11 – Public Entity Risk Pool**

***CareWorksComp***

The Fire District is a member of CareWorksComp, an Ohio Township Association Workers' Compensation Group Rating Program. CareWorksComp is a York Risk Services Company. Each year the Fire District pays an enrollment fee to participate in the group rating program.

**Note 12 – Subsequent Events**

***3.46 Mill Operating Levy***

In November 2019 the voters of the Fire District approved a 3.46 Mill operating levy which will increase revenue for the fire district. The current 2.5 Mill levy was terminated upon passage of the 3.46 Mill levy.

***\$1,500,000 FIRE STATION BONDS, SERIES 2020***

On January 8, 2020 the Fire District Board closed on the USDA loan for the \$ 1,500,000 FIRE STATION BONDS SERIES 2020. These are 30 year bonds payable semiannually on June 1 and December 1. The Interest rate is \$2.75%



# OHIO AUDITOR OF STATE KEITH FABER



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

Port William - Liberty Township Joint Fire and EMS District  
Clinton County  
220 Second Street  
Port William, Ohio 45164

To the Board Members:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Port William - Liberty Township Joint Fire and EMS District, Clinton County, (the District) and have issued our report thereon dated June 14, 2021, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
June 14, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**PORT WILLIAM - LIBERTY TOWNSHIP FIRE AND EMERGENCY MEDICAL SERVICES DISTRICT**

**CLINTON COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/13/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)