



OHIO AUDITOR OF STATE
KEITH FABER



**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY
DECEMBER 31, 2024 AND 2023**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Elm Valley Joint Fire District
Delaware County
9821 US Highway 42
Ashley, Ohio 43003

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Elm Valley Joint Fire District, Delaware County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2 and Note 1, respectively.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 18, 2025

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Elm Valley Joint Fire District
Delaware County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2024

	All Fund Types			
	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$398,792	\$0	\$107,128	\$505,920
Intergovernmental	5,115	47,723	9,037	61,875
Earnings on Investments	24,604	0	0	24,604
Miscellaneous	6,512	0	0	6,512
<i>Total Cash Receipts</i>	<u>435,023</u>	<u>47,723</u>	<u>116,165</u>	<u>598,911</u>
Cash Disbursements				
Current Disbursements:				
General Government	381,882	34,515	0	416,397
Public Safety	0	13,208	2,203	15,411
Capital Outlay	3,817	0	0	3,817
Debt Service:				
Principal Retirement	0	0	120,742	120,742
Interest and Fiscal Charges	0	0	49,644	49,644
<i>Total Cash Disbursements</i>	<u>385,699</u>	<u>47,723</u>	<u>172,589</u>	<u>606,011</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>49,324</u>	<u>0</u>	<u>(56,424)</u>	<u>(7,100)</u>
Other Financing Receipts (Disbursements)				
Sale of Capitals Assets	3,550	0	0	3,550
Transfers In	0	0	76,176	76,176
Transfers Out	(76,176)	0	0	(76,176)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(72,626)</u>	<u>0</u>	<u>76,176</u>	<u>3,550</u>
<i>Net Change in Fund Cash Balance</i>	<u>(23,302)</u>	<u>0</u>	<u>19,752</u>	<u>(3,550)</u>
<i>Fund Cash Balances, January 1</i>	<u>669,013</u>	<u>0</u>	<u>124,985</u>	<u>793,998</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$645,711</u></u>	<u><u>\$0</u></u>	<u><u>\$144,737</u></u>	<u><u>\$790,448</u></u>

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

Elm Valley Joint Fire District
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Elm Valley Joint Fire District, Delaware County, Ohio (the District) as a body corporate and politic. A four-entity Board of Trustees governs the District. Each political subdivision within the District appoints one voting Board member. Those subdivisions are the Village of Ashley, Oxford Township, (Delaware County) Peru Township and Westfield Township (Morrow County). The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

ARPA Coronavirus Relief Fund-The District received approval for ARPA Coronavirus Relief Funds for the hiring 4 part time firefighters. This is a reimbursement fund awarded in 2022, but did not start until 2023.

BWC Safety Grant- The District received a grant from BWC to purchase turnout gear.

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

Misc. Capital Projects Fund – The District received a loan/grant from the United States Department of Agriculture (USDA) to fund a Fire Truck in 2020. This fund receives loan payments as well as real estate taxes from general fund to pay off loan until purchase of Fire Truck is complete. The District has approved to double up the payments to pay off this 10-year loan in 5 years.

Elm Valley Joint Fire District
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Permanent Improvement Fund - The District received a direct loan from the United States Department of Agriculture (USDA) to fund the construction of a new firehouse. This fund also receives real estate taxes from a permanent improvement levy used to pay down the USDA direct loan.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2024 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.

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

Elm Valley Joint Fire District
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Capital Assets

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

Fund Balance

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

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District 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 10.

Elm Valley Joint Fire District
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$413,337	\$438,573	\$25,236
Special Revenue	83,208	47,723	(35,485)
Capital Projects	194,572	192,341	(2,231)
			0
Total	<u>\$691,117</u>	<u>\$678,637</u>	<u>(\$12,480)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$820,940	\$461,875	\$359,065
Special Revenue	83,208	47,723	35,485
Capital Projects	177,750	172,589	5,161
Total	<u>\$1,081,898</u>	<u>\$682,187</u>	<u>\$399,711</u>

Note 4 – Deposits and Investments

The District maintains a deposits 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:

	2024
Demand deposits	<u>\$504,327</u>
Total deposits	<u>504,327</u>
STAR Ohio	286,121
Total investments	<u>286,121</u>
Total deposits and investments	<u>\$790,448</u>

At December 31, 2024, the District held \$0.00 in equity securities. Equity securities are not eligible investments for the District under Ohio law

Deposits

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

At December 31, 2024, \$0.00 of deposits were not insured or collateralized, contrary to Ohio law.

Elm Valley Joint Fire District
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Investments

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

Note 5 – Taxes

Property Taxes

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

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

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, Tru up reporting, and administrative costs.

Commercial Insurance

The District has obtained commercial insurance for the following risks with VFIS:

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

The District is uninsured for the following risks:

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

During 2024, the District paid \$0.00 for losses that exceeded insurance coverage.

Elm Valley Joint Fire District
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2024.

Social Security

Several part time firefighter District employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Station Bonds, Series 2014	\$1,275,400	3.50%
Vehicle Acquisition Bonds, Series 2021	243,051	2.25%
Total	<u>\$1,518,451</u>	

Elm Valley Joint Fire District
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

In 2014, the District issued general obligation bonds in the amount of \$1,708,000 to finance the construction of a new firehouse facility. The Fire Station Bonds, Series 2014, are issued as direct federal assistance from the United States Department of Agriculture (USDA). The District will repay this bond with the proceeds of a permanent improvement levy.

In 2021, the District issued general obligation bonds in the amount of \$360,000 to finance the purchase of a new Fire Engine. The Engine Bonds are issued as direct federal assistance from the United States Department of Agriculture (USDA). The District will repay this bond with the proceeds of operating levy. The board is trying to pay off this 10-year loan in 5 years.

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

Year Ending December 31:	Building	Truck
2025	\$94,305	\$40,403
2026	94,238	40,402
2027	94,209	40,403
2028	94,215	40,411
2029	94,255	40,402
2030-2034	471,065	60,603
2035-2039	471,185	0
2040-2043	329,827	0
Total	<u>\$1,743,299</u>	<u>\$262,624</u>

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end there were no outstanding encumbrances.

Note 11 – Subsequent Events

The District passed a renewal fire levy for 2.9 mills which will generate \$560,000 annually for five years to begin with tax year 2025 paid in 2026.

Elm Valley Joint Fire District
Delaware County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	All Fund Types			
	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$395,080	\$0	\$101,957	\$497,037
Intergovernmental	6,728	297	13,524	20,549
Earnings on Investments	14,663	0	0	14,663
Miscellaneous	5,352	0	0	5,352
<i>Total Cash Receipts</i>	<u>421,823</u>	<u>297</u>	<u>115,481</u>	<u>537,601</u>
Cash Disbursements				
Current Disbursements:				
General Government	353,667	297	0	353,964
Public Safety	0	0	2,316	2,316
Debt Service:				
Principal Retirement	0	0	119,256	119,256
Interest and Fiscal Charges	0	0	53,272	53,272
<i>Total Cash Disbursements</i>	<u>353,667</u>	<u>297</u>	<u>174,844</u>	<u>528,808</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>68,156</u>	<u>0</u>	<u>(59,363)</u>	<u>8,793</u>
Other Financing Receipts (Disbursements)				
Sale of Capitals Assets	702	0	0	702
Transfers In	0	0	77,926	77,926
Transfers Out	(77,926)	0	0	(77,926)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(77,224)</u>	<u>0</u>	<u>77,926</u>	<u>702</u>
<i>Net Change in Fund Cash Balance</i>	<u>(9,068)</u>	<u>0</u>	<u>18,563</u>	<u>9,495</u>
<i>Fund Cash Balances, January 1</i>	<u>678,081</u>	<u>0</u>	<u>106,422</u>	<u>784,503</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$669,013</u></u>	<u><u>\$0</u></u>	<u><u>\$124,985</u></u>	<u><u>\$793,998</u></u>

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

**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Elm Valley Joint Fire District, Delaware County, Ohio (the District), as a body corporate and politic. The District is governed by a Board of Trustees. The Board of Trustees consists of all Trustees of the three townships which comprise the District and the Council members and Mayor of the Village in which the District sits. Those subdivisions are Oxford Township, Peru Township, Westfield Township, and the Village of Ashley. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The 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(C) permit.

C. 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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

D. Fund Accounting

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

1. General Fund

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

**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. Capital Projects Funds

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

Permanent Improvement Fund - The District received a direct loan from the United States Department of Agriculture (USDA) to fund the construction of a new firehouse. This fund also receives real estate taxes from a permanent improvement levy used to pay down the USDA direct loan.

Misc. Capital Projects Fund – The District received a loan/grant from the United States Department of Agriculture (USDA) to fund a Fire Truck. This fund receives loan payments as well as real estate taxes from general fund to pay off loan until purchase of Fire Truck is complete.

3. Special Revenue Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for special revenue. The District had the following special revenue funds:

ARPA Coronavirus Relief Fund - The District received approval for ARPA Coronavirus Relief Funds for the hiring 4 part time firefighters. This is a reimbursement fund awarded in 2022, but did not start until 2023.

BWC Safety Grant - The District received a grant from BWC to purchase turnout gear. The Grant was received in December 2023 but was not budgeted until 2024, because it was received so late in the year.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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.

2. Estimated Resources

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

**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. 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 2023 budgetary activity appears in Note 3.

F. 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:

1. Nonspendable

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

2. 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.

3. 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.

4. 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.

5. 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.

**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

G. Property, Plant, and Equipment

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

2. Equity in Pooled 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>2023</u>
Demand Deposits	\$522,643
Star Ohio	<u>271,355</u>
Total Deposits & Investments	\$793,998

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool. At December 31, 2023, \$0.00 of the deposits were not insured or collateral contrary to Ohio Law.

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

3. Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 309,395	\$ 422,525	\$ 113,130
Special Revenue	70,000	297	(69,703)
Capital Projects	190,909	193,407	2,498
Total	<u>\$ 570,304</u>	<u>\$ 616,229</u>	<u>\$ 45,925</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditure			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 659,395	\$ 441,633	\$ 217,762
Special Revenue	70,000	297	69,703
Capital Projects	178,105	174,844	3,261
Total	<u>\$ 907,500</u>	<u>\$ 616,774</u>	<u>\$ 290,726</u>

**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Property Tax

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

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

5. Debt

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Station Bonds, Series 2014	\$1,323,700	3.50%
Vehicle Acquisition Bonds, Series 2021	277,405	2.25%
Total	<u>\$1,601,105</u>	

In 2014, the District issued general obligation bonds in the amount of \$1,708,000 to finance the construction of a new firehouse facility. The Fire Station Bonds, Series 2014, are issued as direct federal assistance from the United States Department of Agriculture (USDA). The District will repay this bond with the proceeds of a permanent improvement levy.

In 2021, the District issued general obligation bonds in the amount of \$360,000 to finance the purchase of a new Fire Engine. The Engine Bonds are issued as direct federal assistance from the United States Department of Agriculture (USDA). The District will repay this bond with the proceeds of operating levy. The board is trying to pay off this 10-year loan in 5 years.

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

Year ending December 31:	<u>Station Bonds</u>	<u>Engine Bonds</u>
2024	\$94,210	\$40,420
2025	94,305	40,403
2026	94,238	40,402
2027	94,209	40,403
2028	94,215	40,411
2029-2033	471,154	101,005
2034-2038	471,135	-
2039-2043	424,043	-
Total	<u>\$1,837,509</u>	<u>\$303,044</u>

**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

6. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2023, 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, 2023.

The part-time employees of the District are not members of OPERS. Instead, they contribute to Social Security. The contribution rate for these employees is 6.2% of their gross wages. The District contributed an amount equal to 6.2% of the employees' gross wages. The District has paid all contributions required through December 31, 2023.

7. Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees.

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

The District has obtained commercial insurance for the following risks:

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

8. Fund Balance

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:

<u>Fund Balances</u>	<u>General</u>	<u>Total</u>
Outstanding Encumbrances	\$10,040	\$10,040
Total	\$10,040	\$10,040

In the general fund, outstanding encumbrances are considered assigned.

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65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Elm Valley Joint Fire District
Delaware County
9821 US Highway 42
Ashley, Ohio 43003

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Elm Valley Joint Fire District, Delaware County, Ohio (the District) and have issued our report thereon dated September 18, 2025, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

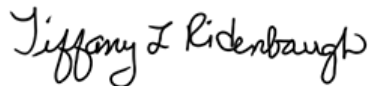
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 18, 2025

**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2024-001

Financial Reporting – Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The District did not have the proper internal controls in place to help prevent errors in their 2023 and 2024 annual financial reports. We noted the following misstatements:

- The District posted (double-booked) \$33,833 of FEMA/ARPA grant monies in both the General and ARPA Fund in 2024. This resulted in the overstatement of General Fund Miscellaneous Revenue and General Fund General Government disbursements by \$33,833, respectively. The amounts were correctly posted to the ARPA fund; however, the General fund required adjustment for the overstated amounts.
- The District did not map the Other Custodial (Unclaimed Money) Fund into the General Fund in 2023 or 2024, which caused the General Fund beginning fund balances in 2023 and 2024 to be understated by \$63 and the Other Custodial Fund beginning fund balances in 2023 and 2024 to be overstated by \$63. Because the Other Custodial Fund was not included within the General Fund on the 2023 and 2024 financial statements, the 2024 Other Custodial Fund Other Distributions and General Fund Transfers In were overstated by \$63.

These misstatements were adjusted on the 2023 and 2024 financial statements, and client records, where applicable.

Additional errors and omissions were identified within the 2023 and 2024 Notes to the Financial Statements, which have been brought to the District's attention and corrected.

The presentation of inaccurate financial information can result in material misstatements. Inaccurately presented financial statements can impact the decision-making of those charged with governance and the general public.

To help ensure accurate financial information is presented, the District should review its control procedures over the preparation of the annual financial report and monitor their procedures accordingly. The identified errors should be reviewed, to prevent similar errors from being reported improperly in subsequent years.

Officials' Response: We did not receive a response from Officials to this finding.

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OHIO AUDITOR OF STATE KEITH FABER



ELM VALLEY JOINT FIRE DISTRICT

DELAWARE 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 10/7/2025

65 East State 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