

***FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2015 & 2014***





# Dave Yost • Auditor of State

Board of Trustees  
First Consolidated Fire District  
115 North High Street  
Caledonia, Ohio 43314

We have reviewed the *Independent Auditor's Report* of the First Consolidated Fire District, Marion County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The First Consolidated Fire District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 13, 2016

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**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY  
AUDIT REPORT  
For Years Ending December 31, 2015 and 2014**

**TABLE OF CONTENTS**

<b><u>Title</u></b>	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	<b>1-2</b>
<b>Combined Statement of Receipts, Disbursements, and Changes in Fund Balances for the Year Ended December 31, 2015</b>	<b>3</b>
<b>Combined Statement of Receipts, Disbursements, and Changes in Fund Balances for the Year Ended December 31, 2014</b>	<b>4</b>
<b>Notes to the Financial Statements</b>	<b>5-10</b>
<b>Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i></b>	<b>11-12</b>
<b>Schedule of Findings</b>	<b>13-14</b>
<b>Schedule of Prior Audit Findings</b>	<b>15</b>

**INDEPENDENT AUDITOR'S REPORT**

First Consolidated Fire District  
Marion County  
115 N. High Street  
Caledonia, Ohio 43314

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the First Consolidated Fire District, Marion County, (the District) as of and for the years ended December 31, 2015 and 2014.

***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 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 1 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, 2015 and 2014, or 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 combined cash balances of the First Consolidated Fire District, Marion County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended 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 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2016 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***

May 10, 2016

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>All Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$ 1,021,776	\$ -	\$ 1,021,776
Charges for Services	-	167,389	167,389
Intergovernmental	241,921	4,250	246,171
Earnings on Investments	674	-	674
Miscellaneous	7,014	-	7,014
<i>Total Cash Receipts</i>	<u>1,271,385</u>	<u>171,639</u>	<u>1,443,024</u>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Security of Persons and Property:			
Salaries	553,848	85,931	639,779
Fringe Benefits	280,103	-	280,103
Supplies	23,448	11,500	34,948
Professional and Technical	24,767	-	24,767
Property Services	9,980	-	9,980
Insurance	19,980	-	19,980
Utilities	14,708	-	14,708
Communications	3,422	-	3,422
Other	114,932	23,740	138,672
Capital Outlay	33,900	21,193	55,093
Debt Service:			
Principal Retirement	88,880	-	88,880
Interest and Fiscal Charges	11,097	-	11,097
<i>Total Cash Disbursements</i>	<u>1,179,065</u>	<u>142,364</u>	<u>1,321,429</u>
<i>Excess Receipts Over (Under) Disbursements</i>	92,320	29,275	121,595
<b>Other Financing Receipts (Disbursements):</b>			
Sale of Capitals Assets	1,200	-	1,200
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
<i>Net Change in Fund Cash Balance</i>	93,520	29,275	122,795
<i>Fund Cash Balances, January 1</i>	<u>380,200</u>	<u>117,873</u>	<u>498,073</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	147,148	147,148
Unassigned	473,720	-	473,720
<i>Fund Cash Balances, December 31</i>	<u>\$ 473,720</u>	<u>\$ 147,148</u>	<u>\$ 620,868</u>

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

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>All Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$ 1,005,582	\$ -	\$ 1,005,582
Charges for Services	-	146,841	146,841
Licenses, Permits and Fees	-	4,578	4,578
Intergovernmental	254,824	-	254,824
Earnings on Investments	73	-	73
Miscellaneous	20,778	3,750	24,528
	<u>1,281,257</u>	<u>155,169</u>	<u>1,436,426</u>
<i>Total Cash Receipts</i>			
<b>Cash Disbursements:</b>			
Current Disbursements:			
Security of Persons and Property	1,032,274	113,588	1,145,862
Capital Outlay	125,000	-	125,000
Debt Service:			
Principal Retirement	85,462	135,974	221,436
Interest and Fiscal Charges	14,520	7,697	22,217
	<u>1,257,256</u>	<u>257,259</u>	<u>1,514,515</u>
<i>Total Cash Disbursements</i>			
<i>Excess Receipts Over (Under) Disbursements</i>	24,001	(102,090)	(78,089)
<b>Other Financing Receipts (Disbursements):</b>			
Sale of Capitals Assets	7,100	-	7,100
	<u>7,100</u>	<u>-</u>	<u>7,100</u>
<i>Total Other Financing Receipts (Disbursements)</i>			
<i>Net Change in Fund Cash Balance</i>	31,101	(102,090)	(70,989)
<i>Fund Cash Balances, January 1</i>	349,099	219,963	569,062
<b>Fund Cash Balances, December 31</b>			
Restricted	-	117,873	117,873
Unassigned	380,200	-	380,200
	<u>\$380,200</u>	<u>\$117,873</u>	<u>\$498,073</u>
<i>Fund Cash Balances, December 31</i>			

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

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

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

**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 First Consolidated Fire District, Marion County, (the District) as a body corporate and politic. A five-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are the Village of Caledonia and the Townships of Canaan, Clairdon, Scott and Tully. 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.

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

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.

**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.

**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.

**2. Special Revenue Funds**

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

*Ambulance and Emergency Medical Service Fund* – This fund receives fees and intergovernmental receipts to be used to support the costs of the management, maintenance and operation of emergency medical services in the District.

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

**1. Appropriations**

Budgetary disbursements (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.

**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 2015 and 2014 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.

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Fund Balance (Continued)**

**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.

**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.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**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>2015</u>	<u>2014</u>
Demand deposits	\$615,397	\$492,608
StarOhio	5,471	5,465
Total deposits and investments	<u>\$620,868</u>	<u>\$498,073</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation, (2) Collateralized by securities specifically pledged by the financial institution to the District or (3) Collateralized by the financial institution's public entity deposit pool.

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

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,031,385	\$1,272,585	\$241,200
Special Revenue	140,000	171,639	31,639

2015 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,386,674	\$1,179,065	\$207,609
Special Revenue	282,785	142,364	140,421

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,385,700	\$1,288,357	(\$97,343)
Special Revenue	130,000	155,169	25,169

2014 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,709,889	\$1,257,256	\$452,633
Special Revenue	374,874	257,259	117,615

**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.

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.

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Fire Truck Bonds	\$188,547	4.00%
Total	\$188,547	

During 2010, the District issued securities in the form of bonds for the purchase of a fire truck under the provisions of Section 505.37 of the Ohio Revised Code. The District passed a 1.00% continuous property tax at the election held on May 5, 2009 with the intent to use the tax proceeds to pay the debt service on the bonds. The bonds were purchased by a financial institution under the terms of annual principal and interest payments of \$99,977 at an interest rate of 4% per annum with a maturity date of September 1, 2017. These bonds are callable for redemption prior to the date of maturity at the option of the District.

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

	Fire Truck Bonds
Year ending December 31:	
2016	\$99,977
2017	99,977
Total	\$199,954

**6. RETIREMENT SYSTEMS**

The District's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. From January 1, 2014 through June 30, 2014 OP&F participants contributed 10.75% of their wages. From July 1, 2014 through June 30, 2015 OP&F participants contributed 11.50% of their wages. From July 1, 2015 through December 31, 2015 OP&F participants contributed 12.25% of their wages. For 2015 and 2014, the District contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2015 and 2014, 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, 2015.

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

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

**7. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

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

During 2015 and 2014, the District did not have losses that exceeded insurance coverage. There were no significant reductions in coverage from prior years.

**8. OPERATING LEASE**

During 2014, the District entered into a sixty-month lease for a copying machine. This lease requires a monthly payment of \$209 with fees for excess copies.

Future minimum lease payments for this non-cancellable lease at December 31, 2015 was as follows:

2016	\$2,508
2017	2,508
2018	2,508
2019	<u>1,045</u>
Total	<u>\$8,569</u>

**9. CONTINGENT LIABILITIES**

Management believes there are no pending claims or lawsuits.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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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**

First Consolidated Fire District  
Marion County  
115 North High Street  
Caledonia, Ohio 43314

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the First Consolidated Fire District, Marion County, (District) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated May 10, 2016, wherein we noted the District followed the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting that we consider a material weakness and a significant deficiency.

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 a 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. We consider finding 2015-001 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2015-002 described in the accompanying schedule of findings to be a significant deficiency.

**Compliance and Other Matters**

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

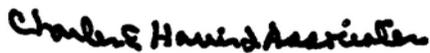
We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 10, 2016.

**Entity's Responses to Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

**Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Charles E. Harris & Associates, Inc.**  
May 10, 2016

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2015-001  
Material Weakness**

**Incorrect Accounting Transactions**

During the audit of the District's financial records, we noted several transactions incorrectly recorded. Below is a listing of the more significant erroneous accounting transactions:

- During 2014, proceeds from the State of Ohio for Homestead and Rollback were originally classified as Property Tax receipts rather than intergovernmental receipts.
- During 2015 and 2014, proceeds from FEMA, DHS and the State of Ohio were originally classified as miscellaneous receipts rather than intergovernmental receipts.
- During 2015, a State of Ohio grant meant for the EMS fund was recorded to the General Fund. These proceeds reclassified to the EMS fund from the General fund.

The accompanying financial statements and District's records have been reclassified to present the accounting information correctly. The District has agreed with the required reclassifications.

We recommend that the District closely follow the UAN Handbook, the Ohio Revised Code and other Auditor of State guidance when recording transactions.

**Management's Response:**

The Fiscal Officer will follow the UAN Handbook to correctly record all transactions.

**FINDING NUMBER 2015-002  
Significant Deficiency**

**Missing State Receipts**

During 2015, the District did not receive Homestead and Rollback funds from the State of Ohio due to a new State law requiring subdivisions to receive all payments via EFT. The State of Ohio processed a payment for the District dated August 19, 2015 but the payment had to be reissued in 2016. The State of Ohio processed a payment dated April 3, 2015 that has not been received by the District as of the date of this report.

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

**SCHEDULE OF FINDINGS – (Continued)  
DECEMBER 31, 2015 AND 2014**

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

**FINDING NUMBER 2015-002 – (Continued)  
Significant Deficiency**

We recommend that the District prepare the necessary forms to allow the State of Ohio to send future payments via EFT. We also recommend that the Fiscal Officer review the District's Revenue Status monthly and in the future begin a timelier investigation into why expected revenues have not been received.

**Management's Response:**

We are currently preparing the necessary paperwork to receive EFT payments from the State of Ohio.

**FIRST CONSOLIDATED FIRE DISTRICT  
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2013-001	Board was not performing a complete review of monthly financial reports.	Yes	No longer valid.
2013-002	Several months during 2012 the bank account was not properly reconciled.	Yes	No longer valid.
2013-003	Payroll was not accurately prepared and 941's did not always agree to the quarterly wages.	Yes	No longer valid. A finding for recovery was also repaid during 2015.



# Dave Yost • Auditor of State

**FIRST CONSOLIDATED FIRE DISTRICT**

**MARION COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 26, 2016**