



# Balestra, Harr & Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2015 and 2014  
Fiscal Years Audited Under GAGAS: 2015 and 2014





# Dave Yost • Auditor of State

Board of Trustees  
Highland County North Joint Fire and Ambulance District  
200 South Street  
Leesburg, Ohio 45135

We have reviewed the *Independent Auditors' Report* of the Highland County North Joint Fire and Ambulance District, Highland County, prepared by Balestra, Harr & Scherer, CPAs, 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 Highland County North Joint Fire and Ambulance 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

August 17, 2016

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**HIGHLAND COUNTY NORTH JOINT FIRE & AMBULANCE DISTRICT**  
**HIGHLAND COUNTY**  
Table of Contents

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2015.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2014.....	4
Notes to the Financial Statements .....	5
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	12



# Balestra, Harr & Scherer, CPAs, Inc.

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## Independent Auditor's Report

Highland North Joint Fire & Ambulance District  
Highland County  
200 South Street  
Leesburg, Ohio 45135

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 Highland North Joint Fire & Ambulance District, Highland 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 opinion.

### 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 State 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 State 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 Highland North Joint Fire & Ambulance District, Highland 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 June 24, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe 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 Standard* in considering the District's internal control over financial reporting and compliance.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
June 24, 2016

**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

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

	<u>Governmental Fund Type</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	
<b>Cash Receipts:</b>				
Property Taxes	\$ 197,875	\$ -	\$ 84,194	\$ 282,069
Intergovernmental	33,372	-	12,384	45,756
Charges for Services	76,975	61,372	-	138,347
Earnings on Investments	943	-	-	943
Miscellaneous	12,546	-	-	12,546
	<u>321,711</u>	<u>61,372</u>	<u>96,578</u>	<u>479,661</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	-	23,175	-	23,175
Public Safety	144,703	144,403	-	289,106
Capital Outlay	9,414	-	-	9,414
Debt Service:				
Redemption of Principal	20,114	-	50,000	70,114
Interest and Fiscal Charges	1,831	-	28,235	30,066
	<u>176,062</u>	<u>167,578</u>	<u>78,235</u>	<u>421,875</u>
<b>Total Cash Disbursements</b>				
Excess of Receipts Over/(Under) Disbursements	<u>145,649</u>	<u>(106,206)</u>	<u>18,343</u>	<u>57,786</u>
<b>Other Financing Receipts (Disbursements):</b>				
Transfers In	-	107,000	-	107,000
Transfers Out	(107,000)	-	-	(107,000)
Other Sources	4,902	-	-	4,902
	<u>(102,098)</u>	<u>107,000</u>	<u>-</u>	<u>4,902</u>
<b>Total Other Financing Receipts (Disbursements)</b>				
Net Change in Fund Cash Balances	43,551	794	18,343	62,688
Fund Cash Balances, January 1	<u>218,591</u>	<u>5,557</u>	<u>175,804</u>	<u>399,952</u>
<b>Fund Cash Balance, December 31</b>				
Restricted	-	6,351	194,147	200,498
Unassigned	262,142	-	-	262,142
	<u>262,142</u>	<u>6,351</u>	<u>194,147</u>	<u>462,640</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 262,142</u>	<u>\$ 6,351</u>	<u>\$ 194,147</u>	<u>\$ 462,640</u>

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



**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

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

	<u>Governmental Fund Type</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	
<b>Cash Receipts:</b>				
Property Taxes	\$ 193,725	\$ -	\$ 83,563	\$ 277,288
Intergovernmental	36,856	-	12,479	49,335
Charges for Services	22,000	78,853	-	100,853
Earnings on Investments	913	-	-	913
Miscellaneous	11,929	-	-	11,929
	<u>265,423</u>	<u>78,853</u>	<u>96,042</u>	<u>440,318</u>
<b>Total Cash Receipts</b>				
	<u>265,423</u>	<u>78,853</u>	<u>96,042</u>	<u>440,318</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	-	17,382	-	17,382
Public Safety	150,852	167,650	-	318,502
Capital Outlay	10,590	-	-	10,590
Debt Service:				
Redemption of Principal	19,291	-	50,000	69,291
Interest and Fiscal Charges	2,654	-	30,493	33,147
	<u>183,387</u>	<u>185,032</u>	<u>80,493</u>	<u>448,912</u>
<b>Total Cash Disbursements</b>				
	<u>183,387</u>	<u>185,032</u>	<u>80,493</u>	<u>448,912</u>
Excess of Receipts Over/(Under) Disbursements	<u>82,036</u>	<u>(106,179)</u>	<u>15,549</u>	<u>(8,594)</u>
<b>Other Financing Receipts (Disbursements):</b>				
Transfers In	-	95,000	-	95,000
Transfers Out	(95,000)	-	-	(95,000)
	<u>(95,000)</u>	<u>95,000</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Receipts (Disbursements)</b>				
	<u>(95,000)</u>	<u>95,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Cash Balances	(12,964)	(11,179)	15,549	(8,594)
Fund Cash Balances, January 1	<u>231,555</u>	<u>16,736</u>	<u>160,255</u>	<u>248,291</u>
<b>Fund Cash Balance, December 31</b>				
Restricted	-	5,557	175,804	181,361
Unassigned	218,591	-	-	218,591
	<u>218,591</u>	<u>5,557</u>	<u>175,804</u>	<u>399,952</u>
<b>Fund Cash Balances, December 31</b>				
	<u>\$ 218,591</u>	<u>\$ 5,557</u>	<u>\$ 175,804</u>	<u>\$ 399,952</u>

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

**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
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 Highland North Joint Fire & Ambulance District, Highland County, Ohio (the District), as a body corporate and politic. A seven-member Board of Trustees governs the District. Each of the political subdivisions within the District appoints one member. Those subdivisions are the Village of Leesburg, Village of Highland, and Fairfield Township. Four at large members are appointed by the majority of the three members of the District. The District provides fire protection and emergency rescue services within the District and contracts 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(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. Cash and Investments**

The District deposits all available funds in an interest earning checking account, certificates of deposit, and passbook type money market accounts at a local commercial bank. All deposits are valued at cost.

**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 fund 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 proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

Ambulance and Emergency Medical Services Fund – This fund receives the charges for the use of ambulance or emergency medical services for the payment of the costs of the management, maintenance, and operation of ambulance and emergency medical services in the district.

**3. Debt Service Fund**

The fund accounts for resources the District accumulates to pay bond debt.

**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 or function 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. The District had no fund balances in this classification.

**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

**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. The District had no fund balances in this classification.

**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 acquisition 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.

**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

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

**2. Equity in Pooled Cash**

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

	2015	2014
Demand Deposits	\$160,458	\$98,325
Certificates of Deposit	114,469	114,254
Savings Accounts	<u>187,713</u>	<u>187,373</u>
Total Deposits	<u>\$462,640</u>	<u>\$399,952</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. Budgetary Activity**

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

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 308,550	\$ 326,613	\$ 18,063
Special Revenue	189,000	168,372	(20,628)
Debt Service	<u>86,640</u>	<u>96,578</u>	<u>9,938</u>
Total	<u>\$ 584,190</u>	<u>\$ 591,563</u>	<u>\$ 7,373</u>

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 296,284	\$ 283,062	\$ 13,222
Special Revenue	194,448	167,578	26,870
Debt Service	<u>78,288</u>	<u>78,235</u>	<u>53</u>
Total	<u>\$ 569,020</u>	<u>\$ 528,875</u>	<u>\$ 40,145</u>

**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

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

**3. Budgetary Activity (Continued)**

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 263,215	\$ 265,423	\$ 2,208
Special Revenue	176,500	173,853	(2,647)
Debt Service	86,495	96,042	9,547
Total	\$ 526,210	\$ 535,318	\$ 9,108

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 290,885	\$ 8,387	\$ 282,498
Special Revenue	191,075	185,032	6,043
Debt Service	80,437	80,493	(56)
Total	\$ 562,397	\$ 273,912	\$ 288,485

**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 property owner elects to pay semiannually, the first half is due December 31. The second half payment is due to 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.

**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

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

**5. Debt**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Fire and Ambulance Station Bonds	\$495,000	4.25% - 4.75%
Fire Truck Lease Purchase Agreement	20,930	4.85%
Total	<u>\$515,930</u>	

The fire and ambulance station bonds are general obligation bonds issued in 2006 to pay the bond anticipation note originally issued in 2003 to finance the construction of a new fire and ambulance building.

The lease purchase agreement was entered into in 2006 for a new fire truck. Payments are due yearly for 10 years.

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

Year ending December 31:	Fire and Ambulance Station Bonds
2016	\$78,238
2017	75,762
2018	73,288
2019	75,676
2020	77,826
2021-2025	224,710
Total	<u>\$605,500</u>

Year ending December 31:	Fire Truck Lease Purchase Agreement
2016	\$21,945
Total	<u>\$21,645</u>

**6. Retirement Systems**

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

Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, the OPERS member contributed 10% of his gross salary and the District contributed an amount equaling 14% of the participant's gross salary. The District has paid all contributions required through December 31, 2015.

**HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
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.

**8. Interfund Transfers**

During the year ended December 31, 2015, the District transferred \$107,000 from the General Fund to the Fire & Rescue Fund (\$107,000) to cover operating expenses. In addition, during the year ended December 31, 2014, the District transferred \$95,000 from the General Fund to the Fire & Rescue Fund (\$95,000) to cover operating expenses. All transfers made in 2015 and 2014 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.





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

Highland North Joint Fire & Ambulance District  
Highland County  
200 South Street  
Leesburg, Ohio 45135

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of Highland North Joint Fire & Ambulance District, Highland County, (the District) as of and for the years ended December 31, 2015 and 2015 and the related notes to the financial statements, and have issued our report thereon dated June 24, 2016, wherein we noted the District followed the financial reporting provisions that Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions 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 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*.

### **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.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
June 24, 2016



# Dave Yost • Auditor of State

**HIGHLAND NORTH JOINT FIRE DISTRICT**

**HIGHLAND COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 30, 2016**