

428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave.
Parkersburg, WV 26101
304.422.2203

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



**JSP FIRE DISTRICT
CHAMPAIGN COUNTY
Regular Audit
For the Years Ended December 31, 2015 and 2014**

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- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board of Trustees
JSP Fire District
PO Box 648
St. Paris, Ohio 43072

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

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 2, 2016

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JSP FIRE DISTRICT
CHAMPAIGN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statement of Receipts, Disbursements, and Change in Fund Balance (Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2015	3
Statement of Receipts, Disbursements, and Change in Fund Balance (Cash Basis) – 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>	11
Schedule of Audit Findings	13
Schedule of Prior Audit Findings	16



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INDEPENDENT AUDITOR'S REPORT

June 17, 2016

JSP Fire District
Champaign County
P.O. Box 648
St. Paris, Ohio 43072

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 **JSP Fire District**, Champaign 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.

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

As described in Note 1B 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.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be 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 permitted 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 JSP Fire District, Champaign 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 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 120,243	\$ 140,820	\$ -	\$ 261,063
Charges for Services	63,447	290,206	-	353,653
Intergovernmental	29,072	4,068	-	33,140
Earnings on Investments	598	527	131	1,256
Miscellaneous	12,622	17,612	-	30,234
<i>Total Cash Receipts</i>	<u>225,982</u>	<u>453,233</u>	<u>131</u>	<u>679,346</u>
Cash Disbursements				
Current:				
General Government	71,130	65,415	-	136,545
Public Safety	61,142	275,462	-	336,604
Capital Outlay	3,600	3,600	-	7,200
Debt Service:				-
Principal Retirement	18,806	173,457	-	192,263
Interest and Fiscal Charges	32,898	26,630	-	59,528
<i>Total Cash Disbursements</i>	<u>187,576</u>	<u>544,564</u>	<u>-</u>	<u>732,140</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	38,406	(91,331)	131	(52,794)
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	15,000	-	15,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
<i>Net Change in Fund Cash Balances</i>	38,406	(76,331)	131	(37,794)
<i>Fund Cash Balances, January 1</i>	<u>396,595</u>	<u>433,815</u>	<u>114,120</u>	<u>944,530</u>
Fund Cash Balances, December 31				
Nonspendable	-	-	53,725	53,725
Restricted	-	357,484	60,526	418,010
Assigned	11,832	-	-	11,832
Unassigned	423,169	-	-	423,169
<i>Fund Cash Balances, December 31</i>	<u>\$ 435,001</u>	<u>\$ 357,484</u>	<u>\$ 114,251</u>	<u>\$ 906,736</u>

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

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 123,623	\$ 144,747	\$ -	\$ 268,370
Charges for Services	61,946	257,310	-	319,256
Intergovernmental	59,464	18,138	-	77,602
Earnings on Investments	485	455	295	1,235
Miscellaneous	15,753	26,886	-	42,639
<i>Total Cash Receipts</i>	<u>261,271</u>	<u>447,536</u>	<u>295</u>	<u>709,102</u>
Cash Disbursements				
Current:				
General Government	67,205	105,525	-	172,730
Public Safety	68,035	313,165	106	381,306
Capital Outlay	-	160,920	-	160,920
Debt Service:				
Principal Retirement	26,598	17,732	-	44,330
Interest and Fiscal Charges	42,342	28,228	-	70,570
<i>Total Cash Disbursements</i>	<u>204,180</u>	<u>625,570</u>	<u>106</u>	<u>829,856</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	57,091	(178,034)	189	(120,754)
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	15,000	-	15,000
Other Debt Proceeds	-	160,920	-	160,920
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>175,920</u>	<u>-</u>	<u>175,920</u>
<i>Net Change in Fund Cash Balances</i>	57,091	(2,114)	189	55,166
<i>Fund Cash Balances, January 1</i>	<u>339,504</u>	<u>435,929</u>	<u>113,931</u>	<u>889,364</u>
Fund Cash Balances, December 31				
Nonspendable	-	-	53,725	53,725
Restricted	-	433,815	60,395	494,210
Assigned	118,345	-	-	118,345
Unassigned	278,250	-	-	278,250
<i>Fund Cash Balances, December 31</i>	<u>\$ 396,595</u>	<u>\$ 433,815</u>	<u>\$ 114,120</u>	<u>\$ 944,530</u>

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

**JSP FIRE DISTRICT
CHAMPAIGN 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 JSP Fire District, Champaign County, (the District) as a body corporate and politic. A five-member Board of Trustees governs the District. One represents the Village of St. Paris; one represents Johnson Township; and three members at-large. The District provides fire protection, rescue services, and EMS 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(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 held certificates of deposit and maintained a checking account. The District had no investments.

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 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 Fund:

EMS Levy Fund – This fund accounts for the EMS tax levy, billing, and service contract activity.

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the District's programs. The District had the following significant permanent fund:

Barger Trust Fund – This fund receives interest income from the donated principal. The income is to be used for the general purposes of the District.

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, 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.

2. 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.

3. 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 re-appropriated in the subsequent year.

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.

**JSP FIRE DISTRICT
CHAMPAIGN 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)

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.

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.

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

2. EQUITY IN POOLED DEPOSITS

The District maintains a deposit pool that 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:

	2015	2014
Demand Deposits	\$785,640	\$823,434
Certificate of Deposit	121,096	121,096
Total Deposits	\$906,736	\$944,530

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the District.

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	\$ 225,980	\$ 225,982	\$ 2
Special Revenue	468,233	468,234	1
Permanent	131	131	-
Total	\$ 694,344	\$ 694,347	\$ 3

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 344,375	\$ 204,811	\$ 139,564
Special Revenue	1,299,108	556,054	743,054
Permanent	1,000	-	1,000
Total	\$ 1,644,483	\$ 760,865	\$ 883,618

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 232,611	\$ 261,271	\$ 28,660
Special Revenue	458,604	623,456	164,852
Permanent	2,000	295	(1,705)
Total	\$ 693,215	\$ 885,022	\$ 191,807

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 231,250	\$ 204,230	\$ 27,020
Special Revenue	493,090	625,878	(132,788)
Permanent	1,000	106	894
Total	\$ 725,340	\$ 830,214	\$ (104,874)

Contrary to Ohio law, expenditures exceeded appropriations in the Fire and EMS fund in 2014. Appropriations exceeded estimated resources in the FEMA Grant fund in 2015.

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

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, 2015 was as follows:

	Principal	Interest Rate
Fire/EMS Building Loan	\$ 1,705,854	4%

On June 26, 2009, the District entered into a loan in amount of \$2,000,000 for the construction of a new Fire/EMS building. The terms of repayment for the debt is on demand, if no demand is made then 27 quarterly payments of \$28,725 beginning September 26, 2009, and one balloon payment of \$1,730,906 on June 26, 2016. The District plans to refinance the loan prior to the balloon payment. The Trustees are in the process of refinancing the loan with First Central National Bank in St. Paris, Ohio.

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

Year Ending December 31:	Fire/EMS Building
2016	\$ 1,730,906
Total	\$ 1,730,906

The District also entered into a loan agreement for the amount of \$160,920 in 2014 with First Central National Bank to purchase an ambulance for EMS services. This loan was paid off in 2015.

6. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10% of their gross salaries, and the District contributed an amount equal to 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2015.

Effective July 1, 1991, all employees not otherwise covered by OPERS or OP&F have an option to choose Social Security. Some employees have elected Social Security. The District's liability is 6.2% of wages paid.

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions; and
- Electronic data and equipment

8. SUBSEQUENT EVENTS

As stated in Note 5, the District entered into a loan agreement on June 26, 2009 for the construction of a new building. This loan called for 27 quarterly payments and one balloon payment of \$1,730,906 on June 30, 2016. If the balloon payment is enforced, the District would not have the available resources necessary to make the payment and therefore the going concern of the District would be in question. However, both parties to the loan are aware of this situation and are currently negotiating to restructure the loan for payments, which are agreeable to the financial responsibilities of both parties.



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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**

June 17, 2016

JSP Fire District
Champaign County
P.O. Box 648
St. Paris, Ohio 43072

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 **JSP Fire District**, Champaign County, (the 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 June 17, 2016, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider audit findings 2015-001 through 2015-003 to be material weaknesses.

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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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item number 2015-004.

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 17, 2016.

Purpose of this Report

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



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2015-001

Material Weakness

Posting Receipts, Disbursements and Fund Balances

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code. Fund balances should be properly classified based on Governmental Accounting Standards Board Statement No. 54.

During 2015 and 2014, receipts, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- Homestead rollbacks were recorded as Property and Other Local Taxes instead of Intergovernmental in 2015 and 2014;
- Property tax receipts for manufactured homes was recorded as Intergovernmental instead of Property and Other Local Taxes in 2015 and 2014;
- CAT receipts were recorded to the Fire & EMS fund instead of General fund in 2015 and 2014;
- Building payments made to the District were recorded as Miscellaneous instead of Sale of Assets in 2015 and 2014;
- Refunds from BWC and OPERS were recorded to Intergovernmental instead of Miscellaneous in 2015 and 2014;
- Debt payments were not properly allocated to principal and interest in 2015 and 2014;
- Debt proceeds and capital outlay disbursement were not recorded for the purchase of a new ambulance in 2014;
- General fund balance was classified as Restricted instead of Assigned and Unassigned in 2015 and 2014;
- Permanent fund balance was classified as Restricted instead of Nonspendable in 2015 and 2014.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring several reclassification and adjusting entries. The Financial Statements reflect all reclassifications and adjustments. The District has made these adjustments to their accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to Ohio Administrative Code for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

Management's Response – We did not receive a response from officials to this finding.

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

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

FINDING NUMBER 2015-002

Material Weakness

Bank Reconciliations

Bank Reconciliations should be prepared monthly in a timely and accurate manner. Throughout the audit period, the Fiscal Officer did not reconcile the end of month bank balance to accurate end of month cash balances per the District's accounting system.

The lack of accurate and timely performance of monthly bank reconciliations resulted in numerous errors which remained undetected and uncorrected until performance of the audit. These errors resulted in adjustments to the accounting system and financial statements to present accurate cash balances at year end. These adjustments are discussed in Finding 2015-001.

We recommend the Fiscal Officer reconcile the month end bank balance to the cash balance per the accounting system on a monthly basis. We also recommend this reconciliation be reviewed and approved, as indicated by the signature of reviewing members of the Board of Trustees.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2015-003

Material Weakness

Estimated Receipts and Appropriations

During 2015 and 2014, the District's accounting system did not properly reflect all budgetary data approved by the Board. This may lead to deficit spending or other budgetary compliance issues. It may also lead to the misappropriation of the District's assets.

We recommend the Fiscal Officer ensure the accounting system accurately reflects all budgetary activity approved by the Board and filed with the County Budget Commission.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2015-004

Noncompliance

Budgetary Controls

In performing the audit we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the District making financial decisions based on incorrect or incomplete information. We noted the following:

- Violations of 5705.39 indicating appropriations cannot exceed estimated resources;
- Violations of 5705.41(B) stating no subdivision is to expend money unless it has been appropriated (expenditures exceeding appropriations);

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

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

FINDING NUMBER 2015-004 (Continued)

Noncompliance (Continued)

Budgetary Controls (Continued)

The Board should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the District is complying with applicable sections. If the Board does not consider this necessary, steps should be taken to make sure amounts are encumbered (purchase orders are used and assigned to each purchase prior to ordering), certifications of available funds are done by the Fiscal Officer prior to purchasing and unencumbered balances are tracked for each line item.

Management's Response – We did not receive a response from officials to this finding.

**JSP FIRE DISTRICT
CHAMPAIGN COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Accuracy and Completeness of Financial Activity	No	Reissued as Finding 2015-001

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Dave Yost • Auditor of State

JSP FIRE DISTRICT

CHAMPAIGN 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 16, 2016**