



Dave Yost • Auditor of State



**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Perry Congress Joint Fire District  
Morrow County  
P.O. Box 85  
Shauck, Ohio 43349

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 Perry Congress Joint Fire District, Morrow County, (the District) as of and for the years ended December 31, 2016 and 2015.

### ***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, 2016 and 2015, 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 Perry Congress Joint Fire District, Morrow County, Ohio as of and for the years ended December 31, 2016 and 2015, 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 July 24, 2017, 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 24, 2017

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES  
(REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	All Fund Types			Totals (Memorandum Only)
	General	Debt Service	Capital Projects	
<b>Cash Receipts</b>				
Local Taxes	\$ 136,995	\$ 11,916	\$ 190,986	\$ 339,897
Intergovernmental	31,991	-	5,658	37,649
Charges for Services	4,319	-	-	4,319
Earnings on Investments	147	-	-	147
Miscellaneous	2,086	-	-	2,086
<i>Total Cash Receipts</i>	<u>175,538</u>	<u>11,916</u>	<u>196,644</u>	<u>384,098</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	62,587	-	-	62,587
General Government	63,667	-	-	63,667
Other	16,312	-	-	16,312
Capital Outlay	-	-	790,888	790,888
Debt Service:				
Interest and Fiscal Charges	-	916	-	916
Bond Issuance Cost	-	11,000	-	11,000
<i>Total Cash Disbursements</i>	<u>142,566</u>	<u>11,916</u>	<u>790,888</u>	<u>945,370</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>32,972</u>	<u>-</u>	<u>(594,244)</u>	<u>(561,272)</u>
<b>Other Financing Receipts</b>				
Sale of Bonds	-	-	718,720	718,720
<i>Net Change in Fund Cash Balances</i>	<u>32,972</u>	<u>-</u>	<u>124,476</u>	<u>157,448</u>
<i>Fund Cash Balances, January 1</i>	285,481	-	79,757	365,238
<b>Fund Cash Balances, December 31</b>				
Restricted	-	-	204,233	204,233
Assigned	318,453	-	-	318,453
<i>Fund Cash Balances, December 31</i>	<u>\$ 318,453</u>	<u>\$ -</u>	<u>\$ 204,233</u>	<u>\$ 522,686</u>

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

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

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

	All Fund Types		
	General	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Local Taxes	\$ 134,166	\$ 199,213	\$ 333,379
Intergovernmental	26,158	5,596	31,754
Charges for Services	4,319	-	4,319
Earnings on Investments	118	-	118
Miscellaneous	273	-	273
<i>Total Cash Receipts</i>	<u>165,034</u>	<u>204,809</u>	<u>369,843</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	73,258	-	73,258
General Government	61,398	-	61,398
Other	21,753	-	21,753
Capital Outlay	-	125,052	125,052
<i>Total Cash Disbursements</i>	<u>156,409</u>	<u>125,052</u>	<u>281,461</u>
<i>Excess of Receipts Over Disbursements</i>	<u>8,625</u>	<u>79,757</u>	<u>88,382</u>
<i>Fund Cash Balances, January 1</i>	276,856	-	276,856
<b>Fund Cash Balances, December 31</b>			
Restricted	-	79,757	79,757
Assigned	273,565	-	273,565
Unassigned	11,916	-	11,916
<i>Fund Cash Balances, December 31</i>	<u>\$ 285,481</u>	<u>\$ 79,757</u>	<u>\$ 365,238</u>

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



**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**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 Perry Congress Joint Fire District, Morrow County, (the District) as a body corporate and politic. A four-member Board of Trustees governs the District. Each political subdivision within the District appoints two members. Those subdivisions are Perry Township and Congress Township. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

**B. Accounting Basis**

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

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.

The District maintains a demand deposit account and 2 saving accounts.

**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. Debt Service Fund**

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

Debt Retirement Fund– This fund responsible for the payment of the Series 2016 New Fire Station Bonds. See Note 5 for additional information on District Bond issuance.

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Capital Project Fund**

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

Fire Station Fund – This fund receives special levy proceeds and reports all activity related to the construction and maintenance of the District’s new fire station building.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**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 re-appropriated.

A summary of 2016 and 2015 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. Non-spendable**

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

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(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.

**2. Equity in Pooled Deposits**

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

	<u>2016</u>	<u>2015</u>
Demand deposits	<u>\$522,686</u>	<u>\$365,238</u>

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**2. Equity in Pooled Deposits (Continued)**

**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 years ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$163,694	\$175,538	\$11,844
Debt Service Fund	0	11,916	11,916
Capital Projects Fund	200,000	915,364	715,364
Total	\$363,694	\$1,102,818	\$739,124

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$437,259	\$142,566	\$294,693
Debt Service Fund	0	11,916	(11,916)
Capital Projects Fund	259,673	790,888	(531,215)
Total	\$696,932	\$945,370	(\$248,438)

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$161,894	\$165,034	\$3,140
Capital Projects Fund	201,800	204,809	3,009
Total	\$363,694	\$369,843	\$6,149

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$450,550	\$156,409	\$294,141
Capital Projects Fund	190,000	125,052	64,948
Total	\$640,550	\$281,461	\$359,089

**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 in February. The second half payment is due the following in July.

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**4. Property Tax (Continued)**

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.

**5. Debt**

In June 2016, the District obtained bonded debt to finance the construction of a new fire station for the District in the amount of \$2,550,000 with interest rate of 3.76%. The District's taxing authority collateralized the bond. The bond has a term of 18 years ending in October 2034. The first payment is due April 1, 2017.

**6. Risk Management**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the members exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	<u>(9,112,030)</u>	<u>(8,942,504)</u>
Members' Equity	\$ 5,531,637	\$ 5,887,681

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**6. Risk Management (Continued)**

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**7. Social Security**

The District's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The district contributed an amount equal to 6.2 percent of participant's gross salaries. The District has paid all contributions required through December 31, 2016.



# Dave Yost • Auditor of State

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

Perry Congress Joint Fire District  
Morrow County  
P.O. Box 85  
Shauck, Ohio 43349

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 Perry Congress Joint Fire District, Morrow County, (the District) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated July 24, 2017, 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 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

***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 we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2016-001.

***District's Response to Finding***

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

***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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 24, 2017



**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 and 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2016-001**

**Financial Statement Presentation -- Material Weakness/Noncompliance**

Sound financial reporting is the responsibility of the Fiscal Officer and the Board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. In addition, **Ohio Rev. Code § 5705.10 (C)** requires all revenue derived from a special levy be credited to a special fund for the purpose for which the levy was made. Also, GASB Statement No. 54 requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources. A monitoring system should be in place to prevent or detect material misstatements for the accurate presentation of the District's financial statements.

Audit adjustments and reclassifications were posted to the District's December 31, 2015 and 2016 financial statements and, where applicable, the accounting records to accurately reflect account balances. The following posting errors were noted:

Posting Error	2015	2016
Assigned fund balance posted as unassigned fund balance due to the provisions of GASB 54 in the General Fund.	\$273,565	\$318,453
Restricted fund balance posted as unassigned fund balance due to the provisions of GASB 54 in the Capital Projects Fund.	\$79,757	\$204,233
Beginning Fund Balance in the Debt Service Fund adjusted to agree to prior year ending fund balance.	\$0	\$68,898
Capital Projects Special Levy Property Tax receipts misposted in the General Fund.	\$199,213	\$0
Capital Projects Special Levy Property Tax receipts misposted in the Debt Service Fund.	\$0	\$190,986
Capital Projects Special Levy Intergovernmental receipts misposted in the General Fund.	\$5,596	\$5,658
Proceeds and Capital Outlay from Bonds in the Capital Projects Fund misposted to the Debt Service Fund.	\$0	\$718,720
Capital Outlay expenditures related to the Capital Projects Fund misposted to the General Fund.	\$125,052	\$0

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 and 2015  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2016-001 (Continued)**

**Financial Statement Presentation -- Material Weakness (Continued)**

<b>Posting Error</b>	<b>2015</b>	<b>2016</b>
Capital Outlay Expenditures related to the Capital Projects Fund misposted to the Debt Service Fund and misclassified as Principal Retirement	\$0	\$72,168
Bond Issuance Cost in the Debt Service Fund misclassified as Principal Retirement	\$0	\$11,000

Not posting receipts and expenditures accurately to the ledgers resulted in the financial statements requiring audit adjustments and reclassification entries; furthermore, inaccurate accounting records could make it difficult for the Board to effectively monitor the District's activities or identify misstatements or errors in a timely manner.

We recommend the District's Fiscal Officer takes the necessary steps to ensure the accurate posting of all transactions to the ledgers and to the appropriate funds. Cash receipts should be posted in accordance with procedures and posting guidelines established in the Ohio Administrative Code line item descriptions. In addition, the District should also review Auditor of State Bulletin 2011-004 for guidance on GASB Statement No. 54 requirements. By exercising accuracy in recording financial activity, the District can reduce posting errors and increase the reliability of the financial data throughout the year.

We also recommend the District implement additional procedures over the completeness and accuracy of financial information reported within the annual financial report. Such procedures may include review of the financial statements and related components with analytical comparisons of the current year annual report to the prior year reports for obvious errors or omissions.

**Officials' Response:**

The clerk has made corrections to all ledgers/reports and will ensure that the proper postings will happen in the future.

**PERRY CONGRESS JOINT FIRE DISTRICT  
MORROW COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2016 and 2015**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-001	Ohio Rev. Code § 5705.09 - The District did not create a Bond Retirement Fund for bonded debt transactions	Partially corrected	The clerk incorrectly followed the debt procedure that was noted in the 2013-2014 audit report for the new fire station funding. This is a non-recurring process and therefore will not happen in the future. All beginning balances in the 2017 ledgers have been updated accordingly.

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# Dave Yost • Auditor of State

**PERRY CONGRESS JOINT FIRE DISTRICT**

**MORROW 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  
OCTOBER 17, 2017**