

***JEROME/WASHINGTON TOWNSHIP FIRE NEW
COMMUNITY AUTHORITY
Union County, Ohio***

AUDIT REPORT

For the Years ended December 31, 2016 and 2015





Dave Yost • Auditor of State

Board of Trustees
Jerome-Washington Township Fire New Community Authority
495 South High Street, Suite 150
Columbus, OH 43215

We have reviewed the *Independent Auditor's Report* of the Jerome-Washington Township Fire New Community Authority, Union County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. 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 Jerome-Washington Township Fire New Community Authority is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

October 24, 2018

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JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY

UNION COUNTY

AUDIT REPORT

For the Years Ended December 31, 2016 and 2015

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Basic Financial Statements	
Statement of Net Position	7
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
Notes to the Basic Financial Statements	10-12
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13-14

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

INDEPENDENT AUDITOR'S REPORT

Jerome/Washington Township Fire New Community Authority
Union County
495 South High Street, Suite 150
Columbus, Ohio 43215

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Jerome/Washington Township Fire New Community Authority, Union County, Ohio (the Authority), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Jerome/Washington Township Fire New Community Authority, Union County, Ohio, as of December 31, 2016 and 2015, and the changes in financial position and cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

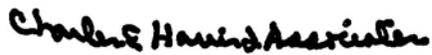
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2018, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance.



Charles E. Harris & Associates, Inc.
August 14, 2018

**JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 and 2015
(UNAUDITED)**

The management's discussion and analysis of the Jerome/Washington Township Fire New Community Authority, Union County, Ohio, (the Authority), financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2016 and 2015. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

1. The Authority encourages the orderly development of the Tartan Ridge, a diversified community of approximately 189 acres in Union County.
2. Net position at December 31, 2016 totaled a negative \$482,527. Net position at December 31, 2015 totaled a negative \$564,048. The negative net position is caused by the costs incurred for operating expenses.
3. The Authority's debt will be paid through the collection of community development charges imposed on the residences benefiting from the specified road improvements.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Authority's financial activities and financial position. The *Statement of Net Position* and *Statement of Revenues, Expenses, and Changes in Net Position* provide information about the activities of the Authority, including all short-term and long-term financial resources and obligations. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, all liabilities, and all deferred inflows are included in the Statement of Net Position. The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows

These financials look at all financial transactions and asks the question, "How did we do financially?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position answer this question. These statements include *all assets, liabilities, deferred inflows, revenues, and expenses* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 and 2015
(UNAUDITED)**

These two statements report the Authority's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Authority as a whole, the *financial position* of the Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 9 of this report.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis

Table 1 provides a summary of Authority's net position for fiscal years 2016 and 2015.

Table 1
Net Position

	2016	2015	2014
Assets:			
Current Assets	<u>505,483</u>	<u>590,490</u>	<u>612,526</u>
Total Assets	<u>\$ 505,483</u>	<u>\$ 590,490</u>	<u>\$ 612,526</u>
Liabilities:			
Current Liabilities	<u>500,341</u>	<u>586,869</u>	<u>627,780</u>
Total Liabilities	<u>\$ 500,341</u>	<u>\$ 586,869</u>	<u>\$ 627,780</u>
Deferred Inflows of Resources:			
Deferred Inflows	<u>487,669</u>	<u>567,669</u>	<u>601,565</u>
Total Deferred Inflows	<u>\$ 487,669</u>	<u>\$ 567,669</u>	<u>\$ 601,565</u>
Net Position:			
Unrestricted	<u>\$ (482,527)</u>	<u>\$ (564,048)</u>	<u>\$ (616,819)</u>

The increases in current assets, current liabilities, and deferred inflows is due to continued development in the Authority, which results in growing receivables from an increase in Community Development Charges.

**JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 and 2015
(UNAUDITED)**

Table 2 reflects the changes in net position for fiscal years 2016 and 2015.

Table 2
Change in Net Position

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating Revenue			
Community Development Income	\$ 116,521	\$ 87,636	\$ 62,740
Total Operating Revenue	<u>116,521</u>	<u>87,636</u>	<u>62,740</u>
Operating Expenses			
Fire Services	-	-	2,725
Audit Services	6,136	-	5,248
Legal - Squire, Sanders & Dempsey	1,351	5,041	6,913
Bank Services	47	36	2
Insurance - Hillborn Insurance	700	700	700
Total Operating Expenses	<u>8,234</u>	<u>5,777</u>	<u>15,588</u>
Non-Operating Expenses			
Interest Expense	<u>(26,766)</u>	<u>(29,088)</u>	<u>(26,216)</u>
Total Expenses	<u>(26,766)</u>	<u>(29,088)</u>	<u>(26,216)</u>
Change in Net Position	81,521	52,771	20,936
Net position, Beginning	<u>(564,048)</u>	<u>(616,819)</u>	<u>(637,755)</u>
Net position, Ending	<u>\$ (482,527)</u>	<u>\$ (564,048)</u>	<u>\$ (616,819)</u>

Change in Net Position: The Authority had decreases in net position for both years presented. The decreases are due to continued development in the Authority, which has resulted in increased operating expenses related to the continuance of the community development project.

Revenues from Community Development Charges paid by each owner of a chargeable parcel will be used to pay the cost to construct needed infrastructure located within the Authority. The Community Development Charge is calculated on thirty-five percent of the assessed value of chargeable property, which includes buildings, structures, and improvements. The Community Development Charge is currently levied at 4 mills. The amount of revenue will increase in years when available parcels are sold and improvements are made, thus increasing the total assessed value of chargeable property.

Budgeting

The Authority is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

Debt Obligations

The Authority has \$487,669 of short term note obligations at December 31, 2016 and \$567,669 at December 31, 2015. Note 6 summarizes the debt obligations.

**JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 and 2015
(UNAUDITED)**

Contacting Authority's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Charles P. Driscoll, Chairman, Jerome/Washington Township Fire New Community Authority, 495 South High Street, Suite 150, Columbus, Ohio 43215, 614-241-2070.

Jerome/Washington Township Fire New Community Authority

Statements of Net Position

As of December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash	\$ 17,814	\$ 22,821
Accounts receivable-Community Development	487,669	567,669
Total Assets	<u>505,483</u>	<u>590,490</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 21	\$ -
Notes Payable	487,669	567,669
Interest Payable	12,651	19,200
Total Liabilities	<u>500,341</u>	<u>586,869</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Community Development Income	<u>487,669</u>	<u>567,669</u>
Total Deferred Inflows of Resources	487,669	567,669
NET POSITION		
Unrestricted net position (Deficit)	<u>(482,527)</u>	<u>(564,048)</u>
TOTAL NET POSITION	<u>\$ (482,527)</u>	<u>\$ (564,048)</u>

See accompanying notes to the basic financial statements.

Jerome/Washington Township Fire New Community Authority
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2016 and 2015

	2016	2015
Operating Revenue		
Community Development Income	\$ 116,521	\$ 87,636
Total Operating Revenue	116,521	87,636
Operating Expense		
Audit Services	6,136	-
Legal Fees	1,351	5,041
Bank Fees	47	36
Insurance Expense	700	700
Total Operating Expense	8,234	5,777
Operating Income	108,287	81,859
Nonoperating Expenses		
Interest Expense	(26,766)	(29,088)
Total Nonoperating Expenses	(26,766)	(29,088)
Change in Net Position	81,521	52,771
Net Position, Beginning of Period	(564,048)	(616,819)
Net Position, End of Period	\$ (482,527)	\$ (564,048)

See accompanying notes to the basic financial statements.

Jerome/Washington Township Fire New Community Authority
Statements of Cash Flows

For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows Provided by/(Used for) Operating Activities		
Cash received from community development charges	\$ 116,521	\$ 87,636
Cash paid for legal and audit services	(7,513)	(5,077)
Cash paid for insurance	(700)	(700)
Net Cash Provided by/(Used for) Operating Activities	108,308	81,859
Cash Flows Provided by/(Used for) Capital and Related Financing Activities		
Principal payments	(80,000)	(33,896)
Interest paid on notes	(33,315)	(36,103)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	(113,315)	(69,999)
Net Change in Cash	(5,007)	11,860
Cash, Beginning of year	22,821	10,961
Cash, End of year	\$ 17,814	\$ 22,821
Reconciliation of Operating Income to Net Cash Provided by/ (Used for) Operating Activities		
Operating income	\$ 108,287	\$ 81,859
Adjustments to Reconcile Operating Income to Net Cash Provided by/(Used for) Operating Activities:		
Increase in accounts payable	21	-
Net Cash Provided by/(Used for) Operating Activities	\$ 108,308	\$ 81,859

See accompanying notes to the basic financial statements.

JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY
UNION COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1 – REPORTING ENTITY

The Jerome/Washington Township Fire New Community Authority, Union County, Ohio (the Auditor) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On October 12, 2007, Tartan Ridge, LLC (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Union County, Ohio. The Petition, which may be subject to amendment or change, allows the Authority to finance the costs of publicly owned and operated community facilities with assessed Community Development Charges. By its Resolution, the County Commissioners determined that the new community district would be conducive to the public health, safety, convenience and welfare, and that it was intended to result in the development of a new community as described in the Act. The Authority thereby organized as a body corporate and politic in the State.

The Authority is governed by a seven member Boards of Trustees. At inception, the Board of County Commissioner of Union County appointed four of the trustees and the remaining three were appointed by the Developer.

At December 31, 2017, the Authority is comprised of approximately 189 acres of land located in Southern Union County, Ohio. In accordance with the Act and the Petition, the Authority can levy a community development charge up to 6.0 mills on the assessed value of the land and improvement within the District. The need and amount of the charge is determined annually by the Board of Trustees of the Authority.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units at prescribed in the statements issued by the Governmental Accounting Standard Boards (GASB) and other recognized authoritative sources.

A. Basis of Presentation

The Authority’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The Authority’s basic financial statements consist of a Statement of Cash Flows. The Authority uses enterprise fund accounting to maintain its financial records during the fiscal year. Enterprise fund accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY
UNION COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

The Authority financial activity is accounted for using a flow of economic resources measurement focus. All assets, liabilities, and deferred inflows associates with the operation of Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made.

C. Cash

Cash received by the Authority is deposited with a financial institution. Deposits having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash.

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. At December 31, 2016 and 2015, the carrying and bank balance amount of the Authority's deposits were \$17,814 and \$22,821, respectively. Federal Deposit Insurance Corporation (FDIC) covered the entire bank balance, and thus none of the Authorities cash is subject to custodial risk.

D. Net Position

Net Position represents the difference between assets, deferred inflows of resources and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations or other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net positions are available. The Authority had no restricted net position at fiscal year-end 2016 and 2015.

E. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly form the primary activity of the Authority. For the Authority, these revenues are community development charges. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the Authority. All revenues and expenses not meeting this definition are reported as non-operating.

F. Use of Estimates

The preparation of financial statement in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY
UNION COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 3 – NET POSITION DEFICIT

At December 31, 2016 and 2015, the Authority has a net position deficit of \$482,527 and \$564,048 respectively. This deficit is the result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publicly owned and operated community facilities. The Authority incurred the costs of acquiring, constructing, or improving community facilities. The title to these assets have been transferred to other local governments with the related costs recorded as a capital contribution expense to the receiving entity.

NOTE 4 – COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge up to 6.00 mills on the assessed value of all property within the developed property. The charge is currently levied at the 4.00 mills. Charge revenue recognized represents the amount levied on the current year.

Charge assessments are levied October 1 on the assessed values as of September 30 (the lien date). The assessed value is established by state law at 35% of the current market value, the sales prices, or the permit value, whichever is the highest. Market values are determined by the homes that have not yet been appraised by the County Auditor. The permit values are supplied by the City of Dublin.

NOTE 5 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.

NOTE 6 – DEBT OBLIGATIONS - SHORT TERM

On August 8, 2011, the Authority entered into a promissory note with Tartan Ridge, LLC. (Payee) in the amount of \$478,963 to be repaid with an interest rate of 5%. The entire unpaid principal balance together with accrued interest shall be due and payable on or before January 1, 2020. The proceeds have been used for the community development expenses.

As of December 31, 2016 and 2015, the Authority has an outstanding short term note balance of \$487,669 and \$567,669 respectively. The payee has the ability to increase the interest rate by 4% or call the note at any time for collection, but took no such actions during 2016 or 2015. All payments were current as of December 31, 2016.

NOTE 7 – RELATED PARTY TRANSACTION

Tartan Ridge, LLC, paid for services for community development for the Authority. The Authority entered into a promissory note (see Note 6) and other current liabilities to Tartan Ridge, LLC. The total outstanding owed, including interest to Tartan Ridge, LLC, at December 31, 2016 and 2015, is \$500,341 and \$586,869, respectively.

Tartan Ridge, LLC is a subsidiary of Edwards Companies, LLC. Three Board of Trustee members are employed by Edwards Companies, LLC.

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Jerome/Washington Township Fire New Community Authority
Union County
495 South High Street, Suite 150
Columbus, Ohio 43215

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 business-type activities of the Jerome/Washington Township Fire New Community Authority, Union County, Ohio, (the Authority) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 14, 2018.

Internal Controls Over Financial Reporting

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

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

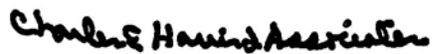
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
August 14, 2018



Dave Yost • Auditor of State

JEROME-WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY

UNION 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
NOVEMBER 8, 2018**