

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY  
Single Audit  
For the Year Ended December 21, 2012  
Regular Audit  
For the Year Ended December 31, 2011**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Dave Yost • Auditor of State

Board of Trustees  
B.S.T. & G. Joint Fire District  
350 West Cherry Street  
Sunbury, Ohio 43074

We have reviewed the *Independent Auditor's Report* of the B.S.T. & G. Joint Fire District, Delaware County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2011 through December 31, 2012. 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 B.S.T. & G. Joint Fire District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA  
Chief Deputy Auditor

August 19, 2013

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**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY, OHIO**

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## **INDEPENDENT AUDITOR'S REPORT**

June 25, 2013

B.S.T. & G. Joint Fire District  
Delaware County  
350 West Cherry Street  
Sunbury, Ohio 43074

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the **B.S.T. & G Joint Fire District**, Delaware County, (the "District") as of and for the years ended December 31, 2012 and 2011.

### ***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 of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

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

***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, 2012 and 2011, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the B.S.T. & G Joint Fire District, Delaware County as of December 31, 2012 and 2011, 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 permits, described in Note 1.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during 2011 the B.S.T. & G Joint Fire District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

***Other Matters***

Our audit was conducted to opine on the financial statements taken as a whole. The federal awards expenditure schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subjected to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2013, 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 Government's internal control over financial reporting and compliance.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.



**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

|  | <u>Governmental Fund Types</u> |                        | <b>Totals</b>                |
|--|--------------------------------|------------------------|------------------------------|
|  | <u>General</u>                 | <u>Special Revenue</u> | <u>(Memorandum<br/>Only)</u> |
| <b>Cash Receipts:</b>                  |                                |                        |                              |
| Property and Other Local Taxes         | \$ 586,612                     | \$ -                   | \$ 586,612                   |
| Intergovernmental                      | 72,983                         | 3,122                  | 76,105                       |
| Charges for Services                   | -                              | -                      | -                            |
| Earnings on Investments                | 24,959                         | -                      | 24,959                       |
| Miscellaneous                          | 5,166                          | -                      | 5,166                        |
| Total Cash Receipts                    | <u>689,720</u>                 | <u>3,122</u>           | <u>692,842</u>               |
| <b>Cash Disbursements:</b>             |                                |                        |                              |
| Current Disbursements:                 |                                |                        |                              |
| General Government                     | 82,821                         | -                      | 82,821                       |
| Public Safety                          | 624,654                        | 3,122                  | 627,776                      |
| Capital Outlay                         | 580,114                        | -                      | 580,114                      |
| Total Cash Disbursements               | <u>1,287,589</u>               | <u>3,122</u>           | <u>1,290,711</u>             |
| Net Change in Fund Cash Balance        | (597,869)                      | -                      | (597,869)                    |
| Fund Cash Balances, January 1          | <u>1,449,605</u>               | <u>-</u>               | <u>1,449,605</u>             |
| Fund Cash Balances, December 31        |                                |                        |                              |
| Unassigned                             | <u>851,736</u>                 | <u>-</u>               | <u>851,736</u>               |
| <b>Fund Cash Balances, December 31</b> | <u><u>\$ 851,736</u></u>       | <u><u>\$ -</u></u>     | <u><u>\$ 851,736</u></u>     |

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

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|  | <u>Governmental Fund Types</u> |                        | <b>Totals</b>            |
|--|--------------------------------|------------------------|--------------------------|
|  | <u>General</u>                 | <u>Special Revenue</u> | <u>(Memorandum Only)</u> |
| <b>Cash Receipts:</b>                  |                                |                        |                          |
| Property and Other Local Taxes         | \$ 602,043                     | \$ -                   | \$ 602,043               |
| Intergovernmental                      | 71,245                         | 35,483                 | 106,728                  |
| Charges for Services                   | 20                             | -                      | 20                       |
| Earnings on Investments                | 34,336                         | -                      | 34,336                   |
| Miscellaneous                          | 9,838                          | -                      | 9,838                    |
| Total Cash Receipts                    | <u>717,482</u>                 | <u>35,483</u>          | <u>752,965</u>           |
| <b>Cash Disbursements:</b>             |                                |                        |                          |
| Current Disbursements:                 |                                |                        |                          |
| General Government                     | 86,889                         | -                      | 86,889                   |
| Public Safety                          | 479,787                        | 35,483                 | 515,270                  |
| Capital Outlay                         | 50,140                         | -                      | 50,140                   |
| Total Cash Disbursements               | <u>616,816</u>                 | <u>35,483</u>          | <u>652,299</u>           |
| Net Change in Fund Cash Balance        | 100,666                        | -                      | 100,666                  |
| Fund Cash Balances, January 1          | <u>1,348,939</u>               | <u>-</u>               | <u>1,348,939</u>         |
| Fund Cash Balances, December 31        |                                |                        |                          |
| Unassigned                             | <u>1,449,605</u>               | <u>-</u>               | <u>1,449,605</u>         |
| <b>Fund Cash Balances, December 31</b> | <u>\$ 1,449,605</u>            | <u>\$ -</u>            | <u>\$ 1,449,605</u>      |

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

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**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 B.S.T.& G. Joint Fire District, Delaware 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 one member. Those subdivisions are Berkshire Township, the Village of Sunbury, Trenton Township, and the Village of Galena.

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

**B. Basis of Accounting**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District 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 Auditor of State prescribes or permits.

**C. Deposits and Investments**

The District's accounting basis includes investments as assets. This basis of accounting does not record disbursements for investments purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Certificates of Deposit are valued at cost. Money market mutual funds are recorded at share values the mutual funds report.

**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 Fund**

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

FEMA Fund - established to track expenditures and receipts related to and as required by Federal Emergency Management Agency grants.

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

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

**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, and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

A summary of 2012 and 2011 budgetary activity appears in Note 4.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

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

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**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.

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

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

**F. Fund Balance (continued)**

**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. CHANGE IN ACCOUNTING PRINCIPLE**

For fiscal year 2011, the District reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 did not have an effect on fund balances previously reported.

**3. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

|                               | 2012       | 2011         |
|-------------------------------|------------|--------------|
| Demand Deposits               | \$ 218,886 | \$ 309,852   |
| Total Deposits                | 218,886    | 309,852      |
| Certificates of Deposit       | 540,000    | 945,000      |
| Money Market Mutual Funds     | 92,850     | 194,753      |
| Total Investments             | 632,850    | 1,139,753    |
| Total Deposit and Investments | \$ 851,736 | \$ 1,449,605 |

Contrary to Ohio Revised Code Section 135.13 at December 31, 2012 and 2011, the District held certificates of deposit that had original maturity periods of one and one half years to five years.

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

**Investments:** Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

| 2012 Budgeted vs. Actual Receipts |                   |                   |                  |
|-----------------------------------|-------------------|-------------------|------------------|
| Fund Type                         | Budgeted Receipts | Actual Receipts   | Variance         |
| General                           | \$ 676,003        | \$ 689,720        | \$ 13,717        |
| Special Revenue                   | 3,122             | 3,122             | -                |
| Total                             | <u>\$ 679,125</u> | <u>\$ 692,842</u> | <u>\$ 13,717</u> |

| 2012 Budgeted vs. Actual Budgetary Basis Expenditures |                         |                        |                   |
|---|-------------------------|------------------------|-------------------|
| Fund Type   | Appropriation Authority | Budgetary Expenditures | Variance          |
| General   | \$ 2,125,608            | \$ 1,287,589           | \$ 838,019        |
| Special Revenue                                       | 3,122                   | 3,122                  | -                 |
| Total   | <u>\$ 2,128,730</u>     | <u>\$ 1,290,711</u>    | <u>\$ 838,019</u> |

| 2011 Budgeted vs. Actual Receipts |                   |                   |                  |
|-----------------------------------|-------------------|-------------------|------------------|
| Fund Type                         | Budgeted Receipts | Actual Receipts   | Variance         |
| General                           | \$ 671,536        | \$ 717,482        | \$ 45,946        |
| Special Revenue                   | 36,879            | 35,483            | (1,396)          |
| Total                             | <u>\$ 708,415</u> | <u>\$ 752,965</u> | <u>\$ 44,550</u> |

| 2011 Budgeted vs. Actual Budgetary Basis Expenditures |                         |                        |                     |
|---|-------------------------|------------------------|---------------------|
| Fund Type   | Appropriation Authority | Budgetary Expenditures | Variance            |
| General   | \$ 2,020,410            | \$ 616,816             | \$ 1,403,594        |
| Special Revenue                                       | 35,483                  | 35,483                 | -                   |
| Total   | <u>\$ 2,055,893</u>     | <u>\$ 652,299</u>      | <u>\$ 1,403,594</u> |

**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 make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**5. RETIREMENT SYSTEMS**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. OPERS member employees contributed 10% of their gross salaries. The District contributed an amount equal to 14% of the participants' gross salaries. The District has paid all contributions required through December 31, 2012.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

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

**7. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**FEDERAL AWARDS EXPENDITURE SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012**

| Federal Grantor/<br>Program Title                       | Federal<br>CFDA<br>Number | Expenditures      |
|---|---------------------------|-------------------|
| <b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>      |                           |                   |
| <i>Federal Emergency Management Agency</i>              |                           |                   |
| Assistance to Fire Fighters Grant - Vehicle Acquisition | 97.044                    | \$ 559,729        |
| <b>Total Federal Expenditures</b>                       |                           | <b>\$ 559,729</b> |

The accompanying notes are an integral part of this schedule.



**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURE SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditure Schedule (the Schedule) is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE 2 – MATCHING REQUIREMENTS**

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

# *Perry & Associates*

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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 25, 2013

B.S.T. & G. Joint Fire District  
Delaware County  
350 West Cherry Street  
Sunbury, Ohio 43074

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 of the **B.S.T. & G Joint Fire District**, Delaware County, Ohio, (the District), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, have issued our report thereon dated June 25, 2013, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits. We also noted that the District implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

### ***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. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

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

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 25, 2013.

***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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry & Associates**  
Certified Public Accountants, A.C.

# *Perry & Associates*

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

June 25, 2013

B.S.T. & G. Joint Fire District  
Delaware County  
350 West Cherry Street  
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the **B.S.T. & G Joint Fire District's**, Delaware County, Ohio, (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the B.S.T. & G Joint Fire District's major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the B.S.T. & G Joint Fire District complied, in all material respects with the compliance requirements referred to above that could directly and materially affects its major federal program for the year ended December 31, 2012.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,



**Perry & Associates**  
Certified Public Accountants, A.C.

**B.S.T. & G. JOINT FIRE DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**1. SUMMARY OF AUDITOR'S RESULTS**

|                     |   |   |
|---------------------|---|---|
| <i>(d)(1)(i)</i>    | <b>Type of Financial Statement Opinion</b>  | Unqualified   |
| <i>(d)(1)(ii)</i>   | <b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>                        | No  |
| <i>(d)(1)(ii)</i>   | <b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b> | No  |
| <i>(d)(1)(iii)</i>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                              | No  |
| <i>(d)(1)(iv)</i>   | <b>Were there any material internal control weaknesses reported for major federal programs?</b>                             | No  |
| <i>(d)(1)(iv)</i>   | <b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>               | No  |
| <i>(d)(1)(v)</i>    | <b>Type of Major Program's Compliance Opinion</b>   | Unqualified   |
| <i>(d)(1)(vi)</i>   | <b>Are there any reportable findings under § .510?</b>  | No  |
| <i>(d)(1)(vii)</i>  | <b>Major Programs (list):</b>   | CFDA #97.044 FEMA<br>Assistance to Firefighters Grant |
| <i>(d)(1)(viii)</i> | <b>Dollar Threshold: Type A/B Programs</b>  | Type A: > \$ 300,000<br>Type B: all others            |
| <i>(d)(1)(ix)</i>   | <b>Low Risk Auditee?</b>  | No  |

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None



# Dave Yost • Auditor of State

**B.S.T. & G. JOINT FIRE DISTRICT**

**DELAWARE 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 29, 2013**