

***FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2015 & 2014***



Dave Yost • Auditor of State

Board of Trustees
Fort Morrow Consolidated Fire District
306 N Marion Street
Waldo, Ohio 43356

We have reviewed the *Independent Auditor's Report* of the Fort Morrow Consolidated Fire District, Marion County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 13, 2016



Dave Yost • Auditor of State

Board of Trustees
Fort Morrow Consolidated Fire District
306 N Marion Street
Waldo, Ohio 43356

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Dave Yost
Auditor of State

July 13, 2016

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FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY
AUDIT REPORT
For Years Ending December 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Fort Morrow Consolidated Fire District
Marion County
306 N. Marion Street
Waldo, Ohio 43356

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 the Fort Morrow Consolidated Fire District, Marion County, (the District) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

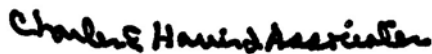
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Fort Morrow Consolidated Fire District, Marion County as of December 31, 2015 and 2014, and its 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 May 27, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
May 27, 2016

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

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

		<u>General</u>
Cash Receipts:		
Property and Other Local Taxes	\$	305,839
Charges for Services		30,788
Intergovernmental		44,021
Earnings on Investments		62
Miscellaneous		11,449
		<hr/>
<i>Total Cash Receipts</i>		392,159
		<hr/>
Cash Disbursements:		
Current Disbursements:		
Security of Persons and Property:		
Salaries		81,804
Fringe Benefits		18,073
Supplies		7,762
Professional and Technical		21,421
Property Services		5,376
Insurance		17,996
Utilities		14,315
Other		10,520
Debt Service:		
Principal Retirement		148,516
Interest and Fiscal Charges		75,961
		<hr/>
<i>Total Cash Disbursements</i>		401,744
		<hr/>
<i>Excess Receipts Over (Under) Disbursements</i>		(9,585)
		<hr/>
<i>Fund Cash Balances, January 1</i>		297,794
		<hr/>
Fund Cash Balances, December 31		
Assigned		2,060
Unassigned		286,149
		<hr/>
<i>Fund Cash Balances, December 31</i>	\$	<u>288,209</u>

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

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

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

	General
Cash Receipts:	
Property and Other Local Taxes	\$ 303,926
Charges for Services	40,533
Intergovernmental	50,896
Earnings on Investments	52
Miscellaneous	17,449
	<u>412,856</u>
<i>Total Cash Receipts</i>	<u>412,856</u>
Cash Disbursements:	
Current Disbursements:	
Security of Persons and Property	176,097
Capital Outlay	189,494
Debt Service:	
Principal Retirement	184,413
Interest and Fiscal Charges	73,720
	<u>623,724</u>
<i>Total Cash Disbursements</i>	<u>623,724</u>
<i>Excess Receipts Over (Under) Disbursements</i>	(210,868)
Other Financing Sources:	
Proceeds of Loan	189,494
	<u>189,494</u>
<i>Total Other Financing Sources</i>	<u>189,494</u>
<i>Excess of Receipts and Other Sources Over/(Under) Disbursements</i>	(21,374)
<i>Fund Cash Balances, January 1</i>	<u>319,168</u>
Fund Cash Balances, December 31	
Assigned	7,340
Unassigned	290,454
	<u>297,794</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 297,794</u>

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

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Fort Morrow Consolidated Fire District, Marion 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 the Village of Waldo and the Townships of Marlboro, Richland and Waldo. The District provides fire protection and rescue services within the District.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

The District'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.

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 type:

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

E. Budgetary Process

1. Appropriations

Budgetary disbursements (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.

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Nonspendable

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

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.

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

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

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. 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:

	2015	2014
Demand deposits	\$288,209	\$297,794
Total deposits	\$288,209	\$297,794

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, (2) Collateralized by securities specifically pledged by the financial institution to the District or (3) Collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

Fund Type	2015 Budgeted vs. Actual Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$334,395	\$392,159	\$57,764

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2015 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$545,400	\$403,804	\$141,596

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$522,198	\$602,350	\$80,152

2014 Budgeted vs Actual Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$734,894	\$631,064	\$103,830

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Firehouse Bonds	\$ 1,170,000	5.42%
Ambulance Loan	97,668	3.10%
Total	\$ 1,267,668	

During 2008, the District obtained acquisition bonds from Chase Bank for the construction of a new firehouse. The bond requires two payments annually due on April 1 and October 1 of each year. The District's first payment was on March 16, 2009 and the last payment is due on October 1, 2028. The bonds carry an interest rate of 5.42%.

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

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

5. DEBT (Continued)

During 2014 the District obtained a loan from Community First National Bank to purchase an ambulance for the District. The original loan amount was for \$189,494 at an interest rate of 3.10%. Semi-annual payments are due on the June 1 and December 1. First payment of \$33,174 was made on December 1, 2014 and the final payment is due on June 1, 2017.

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

Year ending December 31:	Firehouse Bonds	Ambulance Note
2016	\$ 152,195	\$ 66,348
2017	147,317	34,298
2018	142,438	
2019	138,780	
2020	133,902	
2021-2025	596,340	
2026-2028	287,075	
Total	\$ 1,598,047	\$ 100,646

6. RETIREMENT SYSTEMS

The District's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. From January 1, 2014 through June 30, 2014 OP&F participants contributed 10.75% of their wages. From July 1, 2014 through June 30, 2015 OP&F participants contributed 11.50% of their wages. From July 1, 2015 through December 31, 2015 OP&F participants contributed 12.25% of their wages. For 2015 and 2014, the District contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2015 and 2014, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, of participants' gross salaries. The District has paid all contributions required through December 31, 2015.

7. 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.

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

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

7. RISK MANAGEMENT (Continued)

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 member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively (the latest information available).

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, 2013 and 2014 (the latest information available).

	<u>2013</u>	<u>2014</u>
Assets	\$13,774,304	\$14,830,185
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	<u>\$5,805,909</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

8. OPERATING LEASE

During 2008, the Fort Morrow Consolidated Fire District signed a ground lease agreement with the Waldo Township Trustees (Township). In exchange for the payment of \$1, the Township agreed to lease the ground where the new fire station was constructed for a period of 25 years. The lease period began on June 1, 2008 and continues until June 1, 2033 unless terminated earlier for any reason set forth in the lease agreement. The sole purpose of the lease is to permit the District to construct and operate a fire station and community center on the property. Upon termination of the lease, whether by expiration of its term, or by any reason permitted by the agreement, all structures, buildings, and other improvements placed on the real estate shall become sole property of the Township, without any obligation on the part of the Township to reimburse the District for any portion of the District's expense in the construction, repair, or maintenance of those structures, buildings, and other improvements. During the term of the lease, the District agrees to pay all operating costs and impositions relating to the leased real estate.

9. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

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

Fort Morrow Consolidated Fire District
Marion County
306 N. Marion Street
Waldo, Ohio 43356

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 Fort Morrow Consolidated Fire District, Marion County, (District) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated May 27, 2016, wherein we noted the District followed the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits.

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 2015-001 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 matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2015-002.

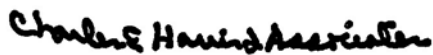
We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 27, 2016.

Entity's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

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.



Charles E. Harris & Associates, Inc.
May 27, 2016

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

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

Incorrect Accounting Transactions

We noted several transactions incorrectly recorded in the financial statements in 2014 and 2015. The more significant of the adjustments were in both years, the proceeds from the State of Ohio for Homestead and Rollback were originally classified as Property Tax receipts rather than as intergovernmental receipts. The financial statements and District's records have been reclassified to present the accounting information correctly.

We recommend that the District closely follow the UAN Handbook, the Ohio Revised Code and other AOS guidance when recording transactions.

Management's Response:

The Fiscal Officer will follow the UAN Handbook to correctly record all transactions.

**FINDING NUMBER 2015-002
Noncompliance Citation**

The District has not formulated a policy or instituted procedures on the availability of public records. A policy outlining the procedures needed to obtain District records that are available to the general public and the Board in resolution form should approve the cost incurred for the copy of these records. The lack of such a policy could result in the public not being treated equally in all cases.

We recommend the District seek guidance from the Prosecuting Attorney in this matter and that the District approve a resolution which outlines the policy and procedure of the availability of public records.

Management's Response:

The District will work to establish a policy and procedures.

**FORT MORROW CONSOLIDATED FIRE DISTRICT
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2013-001	District Board did not document a thorough review of monthly financial reports.	Yes	No longer valid.
2013-002	District did not have a formal procedure for verifying that the third party EMS billing company was doing a thorough job.	Partially	Repeated as a management letter recommendation.
2013-003	District had late filings with several taxing authorities and incorrectly prepared tax filings.	Yes	No longer valid.
2013-004	Contrary to Ohio Rev. Code Section 5705.41(D) the District failed to encumber purchases prior to purchase commitment.	Yes	No longer valid
2013-005	District has not adopted a Public Records Policy.	No	Not corrected, reissued as finding # 2015-002.
2013-006	Contrary to Ohio Rev. Code Section 5705.40.the District did not submit amended appropriations to the County Budget Commission.	Yes	No longer valid.
2013-007	The District voided stale dated outstanding checks and did not reissue said checks or send the amount of said checks to the State of Ohio unclaimed funds office.	Yes	No longer valid.



Dave Yost • Auditor of State

FORT MORROW CONSOLIDATED FIRE DISTRICT

MARION 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
JULY 26, 2016**