

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

**AUDIT REPORT**

**For the Years ended December 31, 2015 and 2014**





# Dave Yost • Auditor of State

Board of Trustees  
Jerome-Washington Township Fire New Community Authority  
495 South High Street  
Columbus, Ohio 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, 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 Jerome-Washington Township Fire New Community Authority is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

October 14, 2016

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

For the Years Ended December 31, 2015 and 2014

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

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## **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, 2015 and 2014, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 Authority'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 Authority'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.

***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, Ohio as of December 31, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in accordance with 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 this presentation to include *Management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2016 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. 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 Authority's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
June 26, 2016

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2015 and 2014  
(UNAUDITED)**

The management's discussion and analysis of the Jerome/Washington Township Fire New Community Authority, Union, Ohio, (the Authority), financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2015 and 2014. 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 Tartan Ridge, a diversified community of approximately 189 acres in Union County.
2. Net position at December 31, 2015 totaled a negative \$564,048. Net position at December 31, 2014 totaled a negative \$616,819. 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 of resources, 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, 2015 and 2014  
(UNAUDITED)  
(Continued)**

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 the Authority's net position for fiscal years 2015, 2014:

	Table 1 Net Position		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Assets:</b>			
Current Assets	\$ <u>590,490</u>	\$ <u>612,526</u>	\$652,699
<b>Total Assets</b>	<u>590,490</u>	<u>612,526</u>	<u>652,699</u>
<b>Liabilities:</b>			
Current Liabilities	<u>586,869</u>	<u>627,780</u>	<u>666,828</u>
<b>Total Liabilities</b>	<u>586,869</u>	<u>627,780</u>	<u>666,828</u>
<b>Deferred Inflows of Resources:</b>			
Deferred Inflows	<u>567,669</u>	<u>601,565</u>	<u>623,626</u>
Total Deferred Inflows of Resources	<u>567,669</u>	<u>601,565</u>	<u>623,626</u>
<b>Net Position:</b>			
Unrestricted	\$( <u>564,048</u> )	\$( <u>616,819</u> )	\$ <u>637,755</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 COMMUNITY AUTHORITY  
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2015 and 2014  
(UNAUDITED)  
(Continued)**

Table 2 reflects the changes in net position for fiscal years 2015 and 2014:

Table 2  
Change in Net Position

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Operating Revenue</b>			
Community Development Income	\$ 87,636	\$ 62,740	\$43,909
<b>Total Operating Income</b>	<u>87,636</u>	<u>62,740</u>	<u>43,909</u>
<b>Operating Expenses</b>			
Community Development Expenses	-	-	54,500
Fire Services	-	2,725	-
Audit Services	-	5,248	-
Legal	5,041	6,913	39,586
Bank Fees	36	2	-
Insurance	700	700	678
<b>Total Operating Expenses</b>	<u>5,777</u>	<u>15,588</u>	<u>94,764</u>
<b>Non-Operating Expenses</b>			
Interest Expense	<u>(29,089)</u>	<u>(26,215)</u>	<u>(23,948)</u>
<b>Change in Net Position</b>	52,771	20,936	(74,803)
<b>Net Position, Beginning of Year</b>	<u>(616,819)</u>	<u>(637,755)</u>	<u>(562,952)</u>
<b>Net Position, End of Year</b>	<u>\$ (564,048)</u>	<u>\$ (616,819)</u>	<u>\$(637,775)</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 \$567,669 of short term note obligations at December 31, 2015 and \$601,565 at December 31, 2014. Note 6 summarizes the debt obligations.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2015 and 2014  
(UNAUDITED)  
(Continued)**

**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, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
Current Assets		
Cash	\$ 22,821	\$ 10,961
Accounts receivable-Community Development	567,669	601,565
Total Assets	590,490	612,526
<b>LIABILITIES</b>		
Current Liabilities		
Notes Payable	\$ 567,669	\$ 601,565
Interest Payable	19,200	26,215
Total Liabilities	586,869	627,780
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Community Development Income	567,669	601,565
Total Deferred Inflows of Resources	567,669	601,565
<b>NET POSITION</b>		
Unrestricted net position (Deficit)	(564,048)	(616,819)
<b>TOTAL NET POSITION</b>	<b>\$ (564,048)</b>	<b>\$ (616,819)</b>

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, 2015 and 2014

	2015	2014
<b>Operating Revenue</b>		
Community Development Income	\$ 87,636	\$ 62,740
Total Operating Revenue	87,636	62,740
<b>Operating Expense</b>		
Fire Services	-	2,725
Audit Services	-	5,248
Legal Fees	5,041	6,913
Bank Fees	36	2
Insurance Expense	700	700
Total Operating Expense	5,777	15,588
Operating Income	81,859	47,152
<b>Nonoperating Expenses</b>		
Interest Expense	(29,088)	(26,216)
Total Nonoperating Expenses	(29,088)	(26,216)
Change in Net Position	52,771	20,936
Net Position, Beginning of Period	(616,819)	(637,755)
Net Position, End of Period	\$ (564,048)	\$ (616,819)

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, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities		
Cash received from community development charges	\$ 87,636	\$ 40,679
Cash paid for operating expenses	(5,777)	(15,588)
Net Cash Provided by Operating Activities	81,859	25,091
Cash Flows From Capital and Related Financing Activities		
Principal payments	(33,896)	-
Interest paid on notes	(36,103)	(57,476)
Net Cash Provided by Capital and Related Financing Activities	(69,999)	(57,476)
Net Change in Cash	11,860	(32,385)
Cash, Beginning of year	10,961	43,346
Cash, End of year	\$ 22,821	\$ 10,961
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 81,859	\$ 47,152
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
(Decrease) in deferred inflows of prepaid community development income	-	(14,273)
(Decrease)/ in accounts payable	-	(7,788)
Net Cash Provided by Operating Activities	\$ 81,859	\$ 25,091

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, 2015 AND 2014

**NOTE 1 — REPORTING ENTITY**

The Jerome/Washington Township Fire New Community Authority, Union County, Ohio (the Authority) 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 Board of Trustees. At inception, the Board of County Commissioners of Union County appointed four of the trustees and the remaining three were appointed by the Developer.

At December 31, 2015, 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 improvements 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 as prescribed in the statements issued by the Governmental Accounting Standards Board (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 Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and 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, 2015 AND 2014

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus and Basis of Accounting**

The Authority's financial activity is accounted for using a flow of economic resources measurement focus. All assets, liabilities, and deferred inflows associated 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 relates 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, 2015 and 2014, the carrying and bank balance amount of the Authority's deposits were \$22,821 and \$10,961, 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 of 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 2015 and 2014.

**E. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from 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.



JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY  
UNION COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE  
YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Use of Estimates**

The preparation of financial statements in conformity with 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.

**NOTE 3 — NET POSITION DEFICIT**

At December 31, 2015 and 2014, the Authority has a net position deficit of \$564,048 and \$616,819 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 titles 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 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 price, or the permit value, whichever is the highest. Market values are determined by the Authority based on the County Auditor's appraisal, lot values, or a calculated cost for occupied 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 community development expenses.

JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE  
YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 6 — DEBT OBLIGATIONS - SHORT TERM (Continued)**

As of December 31, 2015 and 2014, the Authority has an outstanding short term note balance of \$567,669 and \$601,565 respectively. The payee has the ability to increase the interest rate by four percent or call the note at anytime for collection, but took no such action during 2015 or 2014. All payments were current as of December 31, 2015.

**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, 2015 and 2014, is \$586,869 and \$627,780, respectfully.

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

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

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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**

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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated July 26, 2016.

**Internal Controls Over Financial Reporting**

As part of our financial statement audit, we considered the Authority'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 Authority's internal control. Accordingly, 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 Authority'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 over financial reporting that we consider material weaknesses. However, unidentified material weaknesses may exist.

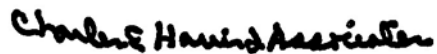
### **Compliance and Other Matters**

As part of reasonably assuring whether the Authority'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 noted other matters which do not require inclusion in this report that we have reported to management in a separate letter dated July 26, 2016.

### **Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *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.*

July 26, 2016

JEROME/WASHINGTON TOWNSHIP FIRE NEW COMMUNITY AUTHORITY  
 UNION COUNTY, OHIO  
 For the Years Ended December 31, 2015 and 2014

SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2013-001	Noncompliance-Failure to file annual financial statements with Auditor of State	No	Partially corrected-moved to management letter
2013-002	Noncompliance-Failure to make interest payment on note	Yes	
2013-003	Material weakness-financial statement errors	Yes	

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# 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 10, 2016**