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**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY  
Regular Audit  
For the Years Ended December 31, 2016 and 2015**

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# Dave Yost • Auditor of State

Board of Trustees  
Bladensburg Joint Fire District  
P.O. Box 85  
Martinsburg, Ohio 43037

We have reviewed the *Independent Auditor's Report* of the Bladensburg Joint Fire District, Knox County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Bladensburg Joint 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 31, 2017

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**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

June 27, 2017

Bladensburg Joint Fire District  
Knox County  
P.O. Box 85  
Martinsburg, Ohio 43037

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 **Bladensburg Joint Fire District**, Knox County, (the District) as of and for the years ended December 31, 2016 and 2015.

### ***Management's Responsibility for the Financial Statements***

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

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

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

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

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

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

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

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Bladensburg Joint Fire District, Knox County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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



**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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

	<b>General Revenue</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 176,394	\$ -	\$ 41,287	\$ 217,681
Charges for Services	-	28,044	-	28,044
Intergovernmental	20,066	20,482	-	40,548
Earnings on Investment	578	-	-	578
Miscellaneous	2,066	-	-	2,066
<i>Total Cash Receipts</i>	<u>199,104</u>	<u>48,526</u>	<u>41,287</u>	<u>288,917</u>
<b>Cash Disbursements:</b>				
General Government	12,543	-	-	12,543
Public Safety	127,613	27,974	-	155,587
Capital Outlay	-	20,000	-	20,000
Debt Service:				
Principal Retirement	-	-	36,219	36,219
Interest and Fiscal Charges	-	-	5,068	5,068
<i>Total Cash Disbursements</i>	<u>140,156</u>	<u>47,974</u>	<u>41,287</u>	<u>229,417</u>
<i>Excess of Receipts Over Disbursements</i>	<u>58,948</u>	<u>552</u>	<u>-</u>	<u>59,500</u>
<b>Other Financing Receipts</b>				
Other Financing Sources	8,975	-	-	8,975
<i>Total Other Financing Receipts</i>	<u>8,975</u>	<u>-</u>	<u>-</u>	<u>8,975</u>
<i>Net Change in Fund Cash Balance</i>	67,923	552	-	68,475
<i>Fund Cash Balance, January 1</i>	<u>143,418</u>	<u>40,222</u>	<u>-</u>	<u>183,640</u>
<b>Fund Cash Balance, December 31</b>				
Restricted	-	40,774	-	40,774
Unassigned	211,341	-	-	211,341
<i>Fund Cash Balance, December 31</i>	<u>\$ 211,341</u>	<u>\$ 40,774</u>	<u>\$ -</u>	<u>\$ 252,115</u>

Notes to the Financial Statements are an integral part of this statement.

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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

	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 112,032	\$ -	\$ 30,554	\$ 142,586
Charges for Services	-	43,936	-	43,936
Intergovernmental	26,252	3,750	-	30,002
Earnings on Investment	280	-	-	280
Miscellaneous	18,766	5,038	-	23,804
<i>Total Cash Receipts</i>	<u>157,330</u>	<u>52,724</u>	<u>30,554</u>	<u>240,608</u>
<b>Cash Disbursements:</b>				
General Government	21,906	-	-	21,906
Public Safety	71,460	33,089	-	104,549
Capital Outlay	126,124	36,018	-	162,142
Debt Service:				
Principal Retirement	-	12,958	28,653	41,611
Interest and Fiscal Charges	-	309	1,901	2,210
<i>Total Cash Disbursements</i>	<u>219,490</u>	<u>82,374</u>	<u>30,554</u>	<u>332,418</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(62,160)</u>	<u>(29,650)</u>	<u>-</u>	<u>(91,810)</u>
<b>Other Financing Receipts</b>				
Proceeds of Debt	106,124	-	-	106,124
<i>Total Other Financing Receipts</i>	<u>106,124</u>	<u>-</u>	<u>-</u>	<u>106,124</u>
<i>Net Change in Fund Cash Balance</i>	43,964	(29,650)	-	14,314
<i>Fund Cash Balance, January 1</i>	<u>99,454</u>	<u>69,872</u>	<u>-</u>	<u>169,326</u>
<b>Fund Cash Balance, December 31</b>				
Restricted	-	40,222	-	40,222
Unassigned	143,418	-	-	143,418
<i>Fund Cash Balance, December 31</i>	<u>\$ 143,418</u>	<u>\$ 40,222</u>	<u>\$ -</u>	<u>\$ 183,640</u>

Notes to the Financial Statements are an integral part of this statement

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Bladensburg Joint Fire District, Knox County, Ohio, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. The board consists of a trustee from each Township and a council person from the Village of Martinsburg. Those subdivisions are Clay Township, Jackson Township and Martinsburg Village. The District provides 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.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

***Fund Accounting***

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report 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:

***Fire and Rescue, Ambulance and Emergency Medical Services Fund*** This fund receives charges for services for providing emergency related services.

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

***Debt Service Fund*** This fund receives property tax money for paying off outstanding debt.

***Basis of Accounting***

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).

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

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.

***Budgetary Process***

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

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

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

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

A summary of 2016 and 2015 budgetary activity appears in Note 3.

***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.

***Capital Assets***

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***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:

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

***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.

***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.

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**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.

**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.

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 179,614	\$ 208,079	\$ 28,465
Special Revenue	50,000	48,526	(1,474)
Debt Service	41,287	41,287	-
Total	<u>\$ 270,901</u>	<u>\$ 297,892</u>	<u>\$ 26,991</u>

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 223,031	\$ 140,156	\$ 82,875
Special Revenue	90,222	47,974	42,248
Debt Service	41,287	41,287	-
Total	<u>\$ 354,540</u>	<u>\$ 229,417</u>	<u>\$ 125,123</u>

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 131,846	\$ 263,454	\$ 131,608
Special Revenue	50,000	52,724	2,724
Debt Service	30,554	30,554	-
Total	<u>\$ 212,400</u>	<u>\$ 346,732</u>	<u>\$ 134,332</u>

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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

**Note 3 – Budgetary Activity (Continued)**

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 231,299	\$ 219,490	\$ 11,809
Special Revenue	119,871	82,374	37,497
Debt Service	30,554	30,554	-
Total	\$ 381,724	\$ 332,418	\$ 49,306

**Note 4 – Deposits**

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

	2016	2015
Demand Deposits	\$ 252,115	\$ 183,640
Total Deposits	\$ 252,115	\$ 183,640

***Deposits***

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

**Note 5 – Taxes**

***Property Taxes***

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.

**Note 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.

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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

**Note 7 – Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Pumper Truck Loan	\$ 86,624	4.24%
Total	\$ 86,624	

In November 2009 the District issued debt to purchase an ambulance for \$137,995. This debt was paid off in 2015. In June 2011 the District issued debt to purchase a fire truck for \$75,750 and was paid off in 2016. In May 2015 the District, under a government obligation contract, took out a loan for \$106,124, for the purchase of a pumper truck. This loan will be repaid in annual installments over five years. The first payment was made in May 2016.

***Amortization***

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

Year ending December 31:	Pumper Truck
2017	\$ 23,999
2018	23,999
2019	23,999
2020	23,999
Total	\$ 95,996

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Fiscal Officer belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. 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, 2016.

***Social Security***

All other District employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

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

**Note 9 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent to fund these benefits.

**Note 10 – 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.





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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 27, 2017

Bladensburg Joint Fire District  
Knox County  
P.O. Box 85  
Martinsburg, Ohio 43037

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 **Bladensburg Joint Fire District**, Knox County, (the District) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated June 27, 2017, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our 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. Therefore, unidentified material weakness or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

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**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 that we must report under *Government Auditing Standards*.

**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.



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

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2016-001**

**Material Weakness**

**Posting Receipts, Disbursements and Fund Balances**

The District should have procedures and controls in place to prevent and detect errors in financial reporting. Funds and fund balances should be properly classified based on Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

During 2016 and 2015, receipts, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- General Fund activity was recorded as a Special Revenue Fund in 2015;
- Pumper truck loan was not recorded on the District's books in 2015;
- Rollbacks were recorded as Property and Other Local Taxes instead of Intergovernmental in 2015;
- Debt payments were recorded as Capital Outlay instead of Principal Retirement and Interest and Fiscal Charges in 2015;
- Grant revenues were recorded as Miscellaneous instead of Intergovernmental in 2016 and 2015;
- Tax settlements were recorded as Intergovernmental instead of Property and Other Local Taxes in 2015;
- Fund balance was classified as Restricted instead of Unassigned in the General Fund in 2016.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring several reclassification entries. The Financial Statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

The Fiscal Officer should take additional care in posting transactions to the District's ledger and annual financial report in order to ensure the District's year-end financial statement reflect the appropriate sources and uses of the District's receipts and disbursements. The fiscal officer should also refer to Auditor of State Technical Bulletin 2011-004 for information on fund and fund balance classifications.

**Management's Response:** We did not receive a response from Officials for this finding.

**BLADENSBURG JOINT FIRE DISTRICT  
KNOX COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2014-001	Material Weakness/Financial Statement Presentation	No	Reissued as Finding 2016-001



# Dave Yost • Auditor of State

**BLADENSBURG TOWNSHIP JOINT FIRE DISTRICT**

**KNOX 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 10, 2017**