



**Mary Taylor, CPA**  
Auditor of State



**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

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Mary Taylor, CPA  
Auditor of State

Northern Union County Fire/EMS District  
Union County  
602 North Franklin Street  
Richwood, Ohio 43344

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your District to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

October 6, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Northern Union County Fire/EMS District  
Union County  
602 North Franklin Street  
Richwood, Ohio 43344

To the Board of Trustees:

We have audited the accompanying financial statement of Northern Union County Fire/EMS District, Union County, Ohio (the District) as of and for the years ended December 31, 2007 and 2006. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The District processes its financial transaction with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the District because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11 (B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require District to reformat their statement. The District has elected not to follow GAAP statements formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2007 and 2006 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of Northern Union County Fire/EMS District, Union County, Ohio, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

October 6, 2008



**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE**

**FOR THE YEARS ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006**

	<b>2,007</b>	<b>2,006</b>
<b>Cash Receipts:</b>		
Property Taxes	\$ 542,491	\$ 277,161
Charges for Services	115,774	123,959
Intergovernmental	69,899	41,196
Earnings on Investments	19,518	11,877
Miscellaneous	11,719	238
	<b>759,401</b>	<b>454,431</b>
<b>Cash Disbursements:</b>		
Current Disbursements:		
General Government	38,847	26,052
Public Safety	459,255	272,576
Capital Outlay	136,794	2,500
Debt Service:		
Redemption of Principal	58,721	37,500
Interest Payments and Other Financing Fees and Costs	30,801	27,609
	<b>724,418</b>	<b>366,237</b>
Total Cash Receipts Over Cash Disbursements	<b>34,983</b>	<b>88,194</b>
<b>Other Financing Receipts</b>		
Sale of Notes	113,314	-
Total Other Financing Receipts	<b>113,314</b>	<b>-</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements</b>	<b>148,297</b>	<b>88,194</b>
Fund Cash Balance, January 1	<b>480,825</b>	<b>392,631</b>
<b>Fund Cash Balance, December 31</b>	<b>\$ 629,122</b>	<b>\$ 480,825</b>

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

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**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND DECEMBER 31, 2006**

**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 Northern Union County Fire/EMS District, Union County, Ohio (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. These subdivisions are the Village of Richwood, Claibourne Township, Jackson Township, and York Township. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

**B. Accounting Basis**

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursements basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

The accounting basis includes investments as assets. Accordingly, investment purchases are not recorded as disbursements, and investment sales are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The accounting basis values certificates of deposits at cost.

**D. Fund Accounting**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District has only one fund:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND DECEMBER 31, 2006  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process**

The Ohio revised Code requires the District to budget each fund annually.

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and appropriated in the subsequent year. The District did not encumber all commitments required by Ohio law.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**G. Accumulated Leave**

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

**2. Equity in Cash and Investments**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	\$432,238	\$296,471
Certificate of deposit	196,884	184,354
Total deposits and investments	<u>629,122</u>	<u>480,825</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the District.

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND DECEMBER 31, 2006  
(Continued)**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2007 and December 31, 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$722,223	\$872,715	\$150,492

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$676,700	\$724,418	(\$47,718)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$361,303	\$454,431	\$93,128

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$484,620	\$366,237	\$118,383

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Trustees adopts rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State then pays the District amounts equaling the homestead and rollback deductions. 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 personnel and real property located within the District.

Tangible personal property tax owners assess that property. The property owners must file a tangible property list to the County by each April 30.

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

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND DECEMBER 31, 2006  
(Continued)**

**5. Debt**

Debt outstanding at December 31, 2007 was as follows

	Principal	Interest Rate
General Obligation Notes	\$486,588	5%
Ambulance Note	92,093	6%
	\$578,681	

The District issued a general obligation note to finance the construction of the fire house. The note was issued on a "draw basis" on December 23, 2000 for an amount up to \$750,000, maturing through December 1, 2020.

In 2007 the District entered into a note for a new ambulance. The note was entered into on February 9, 2007 in the amount of \$113,314. The note is collateralized by the ambulance.

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

	General Obligation Note	Ambulance Note
Year ending December 31:		
2008	\$61,406	\$26,568
2009	59,531	26,568
2010	57,657	26,568
2011	55,781	26,181
2012	53,907	
2013-2017	241,407	
2018-2020	122,345	
Total	\$652,034	\$105,885

**6. Retirement System**

The District's full time fire fighters belong to the Ohio 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 retirement benefit, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OP&F participants contributed 10% of their wages. For 2007 and 2006, the District contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2007, OPERS members contributed 9.75% (public safety members) and 9.5% (local members) and for 2006 9% for both public safety and local members, respectively, of their gross salaries and the District contributed an amount equaling 17.17 and 16.93%, respectively, of public safety participants' gross salaries and 13.85 and 13.7 respectively, for local participants. The District has paid all contributions required through December 31, 2007.

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND DECEMBER 31, 2006  
(Continued)**

**7. Risk Management**

The District has obtained commercial insurance for the following risks:

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

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# Mary Taylor, CPA

Auditor of State

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

Northern Union County Fire/EMS District  
Union County  
602 North Franklin Street  
Richwood, Ohio 43344

To the Board of Trustees:

We have audited the financial statement of the Northern Union County Fire/EMS District, Union County, Ohio, (the District) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated October 6, 2008, wherein we noted the District prepared its financial statement using accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the District uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the District. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11 (B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statement, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purposes described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe finding numbers 2007-001 and 2007-003 are also material weaknesses.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated October 6, 2008.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statement is 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, providing an opinion 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-002 through 2007-004.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated October 6, 2008.

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.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

October 6, 2008

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-001**

**Significant Deficiency/Material Weakness**

Sound financial reporting is the responsibility of the Clerk and the Board of Trustees and is essential to ensure the information provided to the readers of the financial is complete and accurate.

Twenty two audit adjustments and reclassifications were posted to the District's December 31, 2007 and 2006 financial statement to accurately reflect account balances. These adjustments and reclassifications ranged from \$150 to \$548,777. Below are the descriptions of the errors included on the financial statements provided by the client.

1. Redemption of principal and interest payment disbursements were improperly reported.
2. Emergency Medical Service (EMS) billing receipts were improperly reported as miscellaneous receipts.
3. Homestead and rollback receipts were improperly reported as property tax receipts.
4. As noted in finding number 2007-003, EMS billing receipts and expenditures were improperly reported in an unauthorized special revenue fund.
5. Public safety and general government disbursements were not properly classified based on account descriptions on the District's accounting system.
6. Note proceeds and capital outlay disbursements related to an ambulance purchased by the District were not reported on the 2007 financial statement.

All of the audit adjustments were recorded on the District's accounting records.

In addition, there were audit reclassifications noted that were inconsequential to the overall financial statement of the District and were not posted to the December 31, 2007 and 2006 financial statement. These reclassifications were to properly report intergovernmental receipts.

The adjustments and reclassifications identified during the audit should be reviewed by the Clerk to ensure that similar errors are not reported on the financial statements in subsequent years. In addition, the District should adopt policies and procedures, including a final review of the financial statement and note disclosures by the Clerk and the Board of Trustees, to identify and correct errors and omissions.

**Officials' Response:**

Actions taken by the District due to this finding shall reclassify accounting codes in order to more accurately describe financial activity.

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-002**

**Noncompliance Citation**

**Ohio Revised Code § 5705.41(D)(1)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Clerk is attached thereto. The Clerk must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a Clerk's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

**1. "Then and Now" Certificate** – If the Clerk can certify that both at the time that the contract or order was made ("then"), and at the time that the Clerk is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District's Clerk can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the Clerk without a resolution upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any other wise applicable requirements for approval of expenditures by the District.

**2. Blanket Certificate** – The Clerk may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**3. Super Blanket Certificate** – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Clerk for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Sixty-five percent of the transactions tested were not certified by the Clerk at the time the commitment was incurred and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used.

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-002 (Continued)**

**Noncompliance Citation (Continued)**

We recommend the District's Clerk certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Clerk should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Clerk should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**Officials' Response:**

This finding has been resolved. Prior to fiscal year 2006 the District did not use purchase orders. Purchase orders were adopted for use in fiscal year 2007.

**FINDING NUMBER 2007-003**

**Noncompliance Citation/Material Weakness**

**Ohio Revised Code § 5705.12** provides, in part, that in addition to the funds provided for by **Ohio Revised Code § 5705.09 and 5705.13**, the taxing authority of a subdivision may establish, with the approval of the Auditor of State, such other funds as are desirable.

In 2006, the District established an Emergency Medical Services (EMS) special revenue fund to account for EMS receipts and expenses associated with management, maintenance, and operation of ambulance and emergency medical services in the District.

In 2006, the District recorded \$126,859 in receipts and \$14,482 in disbursements. In 2007, the District recorded \$131,824 in receipts and \$123,597 in disbursements in the EMS special revenue fund established by the District. The District did not receive approval from the Auditor of State to establish the EMS special revenue fund.

The District has posted an adjustment in their accounting records and financial statement to account for the EMS activity for 2006 and 2007 in the General Fund.

The District should discontinue use of the EMS special revenue fund as means for accounting for EMS receipts and expenses until permission is requested of and granted by the Auditor of State's office.

**Officials' Response:**

The District understands this finding. The founding ordinances of the District did specify that EMS monies were to be kept in a separate fund since 2001. Prior to 2006, the accounting system used did not allow for tracking of funds in this manner. When the UAN System was implemented for fiscal year 2006, the District Board agreed that EMS monies should be tracked separately as the founding ordinance for the District dictated. Use of this fund shall be discontinued and the monies shall be transferred to the General Fund.

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**FINDING NUMBER 2007-004**

**Noncompliance Citation**

**Ohio Revised Code § 9.38** states that a person who is a public official other than a state officer, employee, or agent shall deposit all public moneys received by that person with the treasurer of the public office or properly designated depository on the business day next following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. If the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public moneys until they are deposited.

In 2006, all monies collected from Emergency Medical Service (EMS) billings were deposited in lump sums one to three times a month and were not deposited within twenty four hours of the collection.

We recommend the District deposit all receipts collected by the following business day. The District should also consider adopting a policy permitting a different time period, not to exceed three business days, if the daily receipts are less than one thousand dollars, provided the moneys are properly safeguarded until such time of deposit.

**Officials' Response:**

The District has taken measures to remedy this situation. Currently, EMS Billing receipts are directly deposited by the District's financial institution. This allows for deposit of nearly all monies within 24 hours of receipt. Any other receipts are incidental and measures are taken to deposit monies as prescribed.

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT  
UNION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i></b>
2005-001	Ohio Revised Code § 5705.41 (D)- Certification of Funds	No	Not Corrected-Repeated as item 2007-002
2005-002	Accounting Software that allows for the posting of all budgetary transaction so that appropriate monitoring can be accomplished by management	Yes	
2005-003	District's EMS billings and receipt collection process.	Yes	
2005-004	Payroll-Timesheet Approval for the Fire Chief	No	Partially Corrected; comment reissued in the management letter.







**Mary Taylor, CPA**  
Auditor of State

**NORTHERN UNION COUNTY FIRE/EMS DISTRICT**  
**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**  
**DECEMBER 2, 2008**