



**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT  
UNION COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

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# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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Board of Trustees  
Northern Union County Joint Fire and EMS District  
602 N. Franklin St  
Richwood, OH 43344

We have reviewed the *Independent Auditor's Report* of the Northern Union County Joint Fire and EMS District, Union County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

**State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

**Ohio Rev. Code § 145.47(B)** states, in part, that the head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the public employees retirement system a report of contributions at such intervals and in such form as the system shall require, showing thereon all deductions for the system made from the earnable salary of each contributor employed, together with warrants or checks covering the total of such deductions within thirty days after the last day of such reporting period.

**26 U.S.C. § 3402(a)(1)** states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary.

**26 U.S.C. § 3403** states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment.

In addition, **Ohio Rev. Code § 5747.06** requires the employing government to withhold state income taxes. It also requires the government to report and remit those tax matters to the appropriate tax authorities and to the recipients.

Board of Trustees  
Northern Union County Joint Fire and EMS District  
602 N. Franklin St  
Richwood, OH 43344  
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Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and as former fiscal officer, Mr. Goodwin was responsible for ensuring payments were made to all vendors in a timely manner. There were several instances in which the District was assessed late fees and/or penalties due to inefficient accounting operations. During the course of the audit late fees and penalties were noted and are summarized below.

	Total Interest/Penalties Paid
Federal income tax and Medicare	\$3,293
State income tax	\$382
Ohio Public Employees Retirement System	\$104
School Income Taxes	\$98
Credit Card	\$287
Total	\$4,164

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Timothy Goodwin, prior fiscal officer, and his bonding company, Ohio Plan Risk Management, in the amount of \$4,164, and in favor of the Northern Union County Fire and EMS District General Fund, in the amount of \$4,164.

Timothy Goodwin provided a \$4,164 cashier's check to the Northern Union County Fire and EMS District on October 12, 2021. The finding is considered repaid under audit.

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 Northern Union County Joint Fire and EMS District is responsible for compliance with these laws and regulations.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 29, 2021

NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT  
UNION COUNTY

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## INDEPENDENT AUDITOR'S REPORT

November 15, 2021

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

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2019 and 2018, and related notes of **Northern Union County Joint Fire and EMS District**, Union County, (the District).

### ***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 such 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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
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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, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the District, 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.

***Emphasis of Matter***

As discussed in Note 11 in 2019 and 10 in 2018 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, 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



**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT  
UNION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General</u>
<b>Cash Receipts</b>	
Property and Other Local Taxes	\$ 1,071,148
Charges for Services	116,690
Intergovernmental	87,710
Earnings on Investment	9,486
Miscellaneous	8,160
<i>Total Cash Receipts</i>	1,293,194
<b>Cash Disbursements</b>	
Current:	
General Government	815,965
Public Safety	357,488
Capital Outlay	630,045
Debt Service:	
Principal Retirement	64,724
Interest and Other Fiscal Charges	182
<i>Total Cash Disbursements</i>	1,868,404
<b>Other Financing Receipts (Disbursements)</b>	
Other Financing Sources	2,203
Other Financing Uses	(8,883)
Other Debt Proceeds	570,631
<i>Total Other Financing Receipts (Disbursements)</i>	563,951
<i>Net Change in Fund Cash Balances</i>	(11,259)
<i>Fund Cash Balances, January 1</i>	1,216,411
<b>Fund Cash Balances, December 31</b>	
Assigned	18,740
Unassigned	1,186,412
<i>Fund Cash Balances, December 31</i>	\$ 1,205,152

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

**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**NOTE 1 – REPORTING 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, (the District) as a body corporate and politic. A four member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are the Village of 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.

**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.

***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).

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 object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

A summary of 2019 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.

**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.

**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**NOTE 3 – BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,787,208	\$ 1,866,028	\$ 78,820
Total	\$ 1,787,208	\$ 1,866,028	\$ 78,820

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,997,427	\$ 1,896,027	\$ 101,400
Total	\$ 1,997,427	\$ 1,896,027	\$ 101,400

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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

	2019
Demand deposits	\$ 1,205,152
Total deposits	\$ 1,205,152

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**NOTE 5 – PROPERTY 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**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.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

Some employees belong 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 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2019.

***Social Security***

Several of the District’s 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, 2019.

**NOTE 8 – POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

**NOTE 9 – DEBT**

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
Lease Agreement	\$ 505,907	4.750%
Total	\$ 505,907	

The District entered into a Master Lease Agreement for the purchase of a fire ladder truck in the amount of \$570,631 in 2019. The District is required to make lease payments in the amount of \$64,724 each year for the eleven year lease term.

**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**NOTE 9 – DEBT (CONTINUED)**

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

Year Ending December 31:	Lease Agreement
2020	\$ 64,724
2021	64,724
2022	64,724
2023	64,724
2024	64,724
2025-2029	323,621
Total	<u>\$ 647,241</u>

**NOTE 10- CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. 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.

**NOTE 11 – SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT  
UNION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General
<b>Cash Receipts</b>	
Property and Other Local Taxes	\$ 593,532
Charges for Services	138,700
Intergovernmental	81,025
Earnings on Investment	3,612
<i>Total Cash Receipts</i>	816,869
<b>Cash Disbursements</b>	
Current:	
General Government	687,545
Public Safety	54,058
Capital Outlay	46,478
<i>Total Cash Disbursements</i>	788,081
<b>Other Financing Receipts</b>	
Other Financing Sources	26,390
<i>Total Other Financing Receipts</i>	26,390
<i>Net Change in Fund Cash Balances</i>	55,178
<i>Fund Cash Balances, January 1</i>	1,161,233
<b>Fund Cash Balances, December 31</b>	
Assigned	211,773
Unassigned	1,004,638
<i>Fund Cash Balances, December 31</i>	\$ 1,216,411

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

**NORTHERN UNION COUNTY JOINT FIRE AND DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**NOTE 1 – REPORTING 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, (the District) as a body corporate and politic. A four member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are the Village of 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.

**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.

***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).

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 object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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



**NORTHERN UNION COUNTY JOINT FIRE AND DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 2018 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.

**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.

**NORTHERN UNION COUNTY JOINT FIRE AND DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**NOTE 3 – BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 765,264	\$ 843,259	\$ 77,995
Total	\$ 765,264	\$ 843,259	\$ 77,995

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 814,214	\$ 789,635	\$ 24,579
Total	\$ 814,214	\$ 789,635	\$ 24,579

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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

	2018
Demand deposits	\$ 1,216,411
Total deposits and investments	\$ 1,216,411

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**NORTHERN UNION COUNTY JOINT FIRE AND DISTRICT**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**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.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

Some employees belong 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 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

***Social Security***

Several of the District's 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, 2018.

**NOTE 8 – POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

**NOTE 9 – CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. 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

**NOTE 10 – SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

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

November 15, 2021

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

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 **Northern Union County Joint Fire and EMS District**, Union County, (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2021, 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 and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 a 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 internal control deficiencies 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
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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 financial statements. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as items 2019-002 through 2019-006.

### **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 report is not suitable for any other purpose.



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

**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT  
UNION COUNTY  
SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

**FINDING NUMBER 2019-001**

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. "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 2019 and 2018, receipts, disbursements, and fund balances were not always posted or classified correctly. The following errors were noted:

- A portion of the General fund balance was not properly classified as Assigned in 2019 and 2018;
- Funds received from Richwood Bank for the purchase of a fire truck were not properly recorded as Other Debt Proceeds and Capital Outlay in 2019;
- Debt payments were improperly classified as Fire Protection instead of Principal and Interest in 2019;
- State Homestead and Rollback receipts were recorded as Property and Other Local Taxes instead of Intergovernmental in 2019 and 2018;
- Charges for Services receipts not deposited timely in 2019 and 2018; and
- Outstanding receipts and disbursements not posted in UAN in 2018.

Not posting receipts, disbursements, and fund balances accurately resulted in the financial statements requiring adjustments and reclassifications. The District has made all adjustments to its accounting system. The financial statements reflect all adjustments and reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that 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.

We also recommend the Fiscal Officer determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

**Management's Response** – We did not receive a response from officials to this finding.

NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT  
UNION COUNTY  
SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-002**

**Noncompliance**

**Ohio Rev. Code 149.43(B)(2)** states, in part that the entity shall have available a copy of its current records retention schedule at a location readily available to the public. In addition, **Ohio Revised Code Section 149.43(E)(2)** state that if a public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook.

The District had not adopted a record retention policy prior to or during the audit period. The District has also not included their Public Records Policy within the District handbook.

We recommend the District adopt a record retention policy and make it readily available to the public. Failure to do so could result in public records not being adequately retained and available to the public. We also recommend that the District include the Public Records Policy in the District handbook as required by Ohio Revised Code.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2019-003**

**Noncompliance**

**26 U.S.C. Section 3402** requires every employer, including the state and its political subdivisions making payments of any compensation to an employee who is a taxpayer, to deduct and withhold from such compensation for each payroll period a tax substantially equivalent to the tax reasonably estimated to be due under this chapter with respect to the amount of such compensation included in his adjusted gross income during the calendar year.

The former Fiscal Officer did not submit the Form 941 quarterly report as required by the IRS for the audit period timely. This resulted in the IRS issuing late fees and penalties during 2019 and 2018.

We recommend the Fiscal Officer remit the required amounts and file the required reports when completing the last payroll of each quarter to avoid accrual of interest and penalties.

**Management's Response** – We did not receive a response from officials to this finding.

**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT  
UNION COUNTY  
SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-004**

**Noncompliance**

**Ohio Revised Code Section 145.47** states the head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the public employees retirement system a report of contributions at such intervals and in such form as the system shall require, showing thereon all deductions for the system made from the earnable salary of each contributor employed, together with warrants or checks covering the total of such deductions within thirty days after the last day of such reporting period.

The District submitted the monthly OPERS reports late for seven months in 2018 and seven months in 2019. This resulted in late fees being assessed. As of December 31, 2019, all reports have been submitted.

We recommend the Fiscal Officer take the care necessary to ensure PERS contributions are being remitted timely and in the correct amount to avoid accrual of interest and penalties.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2019-005**

**Noncompliance**

**Ohio Revised Code Section 5747.06** requires every employer maintaining an office or transacting business within this state and making payment of any compensation to an employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a reasonable estimate of the amount of state income tax and school district income tax which will be due.

The IT 501 reports as required by the State of Ohio were not submitted timely for ten months in 2018 and eight months in 2019. This resulted in late fees and interest being assessed. As of December 31, 2019, all reports have been submitted.

We recommend the Fiscal Officer remit the required amounts and file the required reports when completing the last payroll of each quarter to avoid accrual of interest and penalties.

**Management's Response** – We did not receive a response from officials to this finding.



**NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT  
UNION COUNTY  
SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-006**

**Noncompliance**

**Late Fees and Interest**

During 2019 and 2018, the District incurred and paid late payment fees and interest on the credit card statements.

These are unnecessary expenses and should be avoided by paying invoices when they become due and gaining controls over credit card expenditures. Since the credit card removes the step of requesting a purchase order and approval before incurring expense, the District is vulnerable to expending beyond their short-term financial resources.

We recommend spending on the credit card be limited and all receipts be collected and monitored by the clerk to anticipate the balance that will be due on the next billing cycle.

**Management's Response** – We did not receive a response from officials to this finding.

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# OHIO AUDITOR OF STATE KEITH FABER



**NORTHERN UNION COUNTY JOINT FIRE AND EMERGENCY MEDICAL SERVICES DISTRICT**

**UNION COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 1/11/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)