



**THREE RIVERS FIRE DISTRICT  
COSHOCTON COUNTY**

**REGULAR AUDIT**

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



**Mary Taylor, CPA**  
Auditor of State



**THREE RIVERS FIRE DISTRICT  
COSHOCOTON COUNTY**

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**Mary Taylor, CPA**  
Auditor of State

Three Rivers Fire District  
Coshocton County  
P.O. Box 304  
Coshocton, Ohio 43812

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 government 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 24, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Three Rivers Fire District  
Coshocton County  
P.O. Box 304  
Coshocton, Ohio 43812

To the Board of Trustees:

We have audited the accompanying financial statements of Three Rivers Fire District, Coshocton County, Ohio, (the Fire District) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Fire District's management. Our responsibility is to express an opinion on these financial statements 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 statements are 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 Fire District processes its financial transactions 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 Fire 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Fire District has prepared these financial statements 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 statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Fire District's larger (i.e. major) funds separately. While the Fire District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require the Fire District to reformat their statements. The Fire District has elected not to follow GAAP statement 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 on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Fire 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 statements referred to above present fairly, in all material respects, the combined fund cash balances of Three Rivers Fire District, Coshocton County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Fire 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 statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2008, on our consideration of the Fire 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 24, 2008



**THREE RIVERS FIRE DISTRICT  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$201,394	\$0	\$201,394
Intergovernmental	25,328	9,673	35,001
Earnings on Investments	42,958	0	42,958
Miscellaneous	5,401	0	5,401
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	275,081	9,673	284,754
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
General Government	31,836	0	31,836
Public Safety	48,253	0	48,253
Capital Outlay	1,131,712	0	1,131,712
Debt Service:			
Redemption of Principal	29,763	0	29,763
Interest and Other Fiscal Charges	64,574	0	64,574
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	1,306,138	0	1,306,138
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(1,031,057)	9,673	(1,021,384)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	1,376,355	64	1,376,419
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$345,298</u></b>	<b><u>\$9,737</u></b>	<b><u>\$355,035</u></b>

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

**THREE RIVERS FIRE DISTRICT  
COSHOCKTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$110,400	\$0	\$110,400
Intergovernmental	17,054	4,308	21,362
Earnings on Investments	8,655	0	8,655
Miscellaneous	5,729	0	5,729
Total Cash Receipts	<u>141,838</u>	<u>4,308</u>	<u>146,146</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	38,078	0	38,078
Public Safety	72,322	0	72,322
Capital Outlay	64,414	0	64,414
Debt Service:			
Redemption of Principal	0	0	0
Interest and Other Fiscal Charges	6,016	0	6,016
Total Cash Disbursements	<u>180,830</u>	<u>0</u>	<u>180,830</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(38,992)</u>	<u>4,308</u>	<u>(34,684)</u>
<b>Other Financing Receipts / (Disbursements):</b>			
Bond Proceeds	1,300,000	0	1,300,000
Transfers-In	4,244	0	4,244
Transfers-Out	0	(4,244)	(4,244)
Total Other Financing Receipts / (Disbursements)	<u>1,304,244</u>	<u>(4,244)</u>	<u>1,300,000</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	1,265,252	64	1,265,316
Fund Cash Balances, January 1	<u>111,103</u>	<u>0</u>	<u>111,103</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$1,376,355</u></u></b>	<b><u><u>\$64</u></u></b>	<b><u><u>\$1,376,419</u></u></b>

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

**THREE RIVERS FIRE DISTRICT  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 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 Three Rivers Fire District, Coshocton County, Ohio, (the Fire District) as a body corporate and politic. The Fire District is directed by an appointed representative of three political subdivisions consisting of Keene Township, Mill Creek Township, and Tuscarawas Township. The Board of Trustees consists of five members: one member from each of the aforementioned subdivisions and two members whose appointment is made by the Board on a one-year rotational basis. The principal purpose of the Fire District is to pool the mutual resources and abilities of the member subdivisions and thereby provide adequate and responsible fire emergency and fire rescue to all the people within the Fire District.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Auditor of State prescribes or permits.

**C. Cash**

The Fire District maintains all cash in an interest bearing checking account and two high yield saving accounts.

**D. Fund Accounting**

The Fire District uses fund accounting to segregate cash and investments that are restricted as to use. The Fire District classifies its funds into the following types:

**1. General Fund**

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

**THREE RIVERS FIRE DISTRICT  
COSHOCTON COUNTY**

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

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Fund**

The fund is used to account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

FEMA Fund - This fund receives federal and state money used to pay for damages caused by a weather related disaster.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Fire District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Fire 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 Fire District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**THREE RIVERS FIRE DISTRICT  
COSHOCTON COUNTY**

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

**2. Equity in Pooled Cash**

The Fire District maintains a cash pool. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2007	2006
Demand deposits	\$355,035	\$1,376,419

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation and collateral specifically pledged for the Fire District. During part of 2007 and 2006, depository balances exceeded FDIC coverage and the specific collateral pledged.

**3. Budgetary Activity**

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

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$243,140	\$275,081	\$31,941
Special Revenue	0	9,673	9,673
Total	\$243,140	\$284,754	\$41,614

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,586,892	\$1,306,138	\$280,754
Special Revenue	0	0	0
Total	\$1,586,892	\$1,306,138	\$280,754

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$132,564	\$1,446,082	\$1,313,518
Special Revenue	0	4,308	4,308
Total	\$132,564	\$1,450,390	\$1,317,826

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$204,244	\$180,830	\$23,414
Special Revenue	4,244	4,244	0
Total	\$208,488	\$185,074	\$23,414

**THREE RIVERS FIRE DISTRICT  
COSHOCTON COUNTY**

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

**4. Noncompliance**

Contrary to Ohio Rev. Code Section 5705.41 (D), 22% of expenditures tested were not certified by the Fiscal Officer prior to incurring the obligation.

**5. Property Tax**

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

Public utilities are also taxed on personal and real property located within the Fire District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property 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 Fire District.

**6. Debt**

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
General Obligation Bond	\$1,295,237	4.90%

In January 2006, the Fire District obtained a loan in the amount of \$1,300,000 for purpose of purchasing of constructing a fire station with the loan maturing in 2031.

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

	General Obligation Bond
Year ending December 31:	
2008	\$92,219
2009	92,219
2010	92,219
2011	92,219
2012	92,219
2013-2017	461,095
2018-2022	461,095
2023-2027	461,095
2028-2031	368,876
Total	\$2,213,256

**THREE RIVERS FIRE DISTRICT  
COSHOCTON COUNTY**

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

**7. Retirement Systems**

**A. Public Employees Retirement System**

The Fire District's Board members and Clerk belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, which includes postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5 and 9.0%, respectively, of their gross salaries and the Fire District contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. As of December 31, 2007, 83% has been contributed.

**B. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by Ohio Public Employees Retirement System have an option to choose Social Security. As of December 31, 2007, all of the Fire District's employees not covered by Ohio Public Employees Retirement System have elected Social Security. The Board's liability is 6.2% of wages paid.

**8. Risk Pool Membership**

The Fire District belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**THREE RIVERS FIRE DISTRICT  
COSHOCKTON COUNTY**

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

**8. Risk Pool Membership (Continued)**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	<b>2007</b>	<b>2006</b>
Assets	\$11,136,455	\$9,620,148
Liabilities	(4,273,553)	(3,329,620)
Members' Equity	\$6,862,902	\$6,290,528

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).





# 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*

Three Rivers Fire District  
Coshocton County  
P.O. Box 304  
Coshocton, Ohio 43812

To the Board of Trustees:

We have audited the financial statements of the Three Rivers Fire District, Coshocton County, Ohio, (the Fire District) as of and for the years ending December 31, 2007 and 2006, and have issued our report thereon dated October 24, 2008, wherein we noted the Fire District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Fire 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 Fire 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 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 Fire District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Fire District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Fire District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose 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 to be 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 Fire 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 Fire District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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We consider Finding Numbers 2007-001 and 2007-002 described in the accompanying Schedule of Findings to be significant deficiencies in internal control and financial reporting.

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

Our consideration of 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 internal control that might be significant deficiencies, and accordingly, would not necessary disclose all significant deficiencies that are also material weaknesses. However, we believe Finding Numbers 2007-001 and 2007-002 are also material weaknesses.

We also noted certain matters that we reported to the Fire District's management in a separate letter dated October 24, 2008.

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

As part of reasonably assuring whether the Fire 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, 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 no instance's of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted certain noncompliance or other matters that we reported to the Fire District's management in a separate letter dated October 24, 2008.

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

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



**Mary Taylor, CPA**  
Auditor of State

October 24, 2008

**THREE RIVERS FIRE DISTRICT  
COSHOCTON COUNTY**

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

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

**FINDING NUMBER 2007-001**

**Material Weakness**

**Financial Reporting**

As a result of the audit procedures performed, errors were noted in the Fire District's financial statements that required audit adjustments and reclassifications as follows:

- During 2007, the Fire District misclassified \$29,763 in debt principal payments and \$64,574 in interest payments related to debt as Capital Outlay expenditures rather than as Redemption of Principal and Interest and Other Fiscal Charges. Also, the Fire District did not timely deposit receipts earned in 2007 until 2008 causing Property & Other Local Taxes, Intergovernmental Revenue, and Miscellaneous Revenue to be understated by \$13,417, \$5,501, and \$602, respectively. Additionally, receipts collected from the sale of used tires amounting to \$220 and personal property tax loss reimbursement receipts amounting to \$4,321 were improperly classified as Other Financial Sources Revenue rather Miscellaneous Revenue and Intergovernmental Revenue, respectively. All of these adjustments and reclassifications affected the General Fund.
- For 2006, the Fire District misclassified \$6,016 in interest payments related to debt as Capital Outlay expenditures. Also, the Fire District improperly classified a transfer of \$4,244 from the FEMA fund to the General fund by increasing Miscellaneous Revenue in the General Fund and Public Safety expenditures in the FEMA Fund. The transfer should be reflected as Transfers In in the General Fund and Transfers Out in the FEMA fund.

Sound financial reporting is the responsibility of the Fire District and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To help ensure the Fire District's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures to identify and correct errors and omissions. In addition, the Fire District should review the financial statements and notes prior to submission for audit.

**Official's Response:** The Fiscal Officer will make every effort to ensure that receipts and payments are properly classified.

## FINDING NUMBER 2007-002

### Material Weakness

#### Depositing Receipts

For 2007 and 2006, 28 out of 39 (72%) of tested receipts related to intergovernmental, taxes, and building construction revenues were not deposited with a designated depository for a period ranging between 3 to 185 days after initial receipt of the money. Outstanding deposit amounts ranged from \$200 to \$99,516. Due to the delay in depositing, receipts totaling \$549 were received in 2006 but were not recorded or deposited until 2007. Also, receipts totaling \$19,520 were received in 2007 but not recorded or deposited until 2008. Delays of this nature could cause daily receipts to be lost or misplaced without being detected in a timely manner.

The Fire District should properly safeguard receipts and implement Ohio Rev Code Section 9.38 relative to depositing requirements and procedures. This will help ensure receipts are properly safeguarded and deposited timely.

**Official's Response:** Deposits will be made within 24 hours of receipt if the receipt exceeds \$1,000 and within 3 days if the receipt does not exceed \$1,000.



**Mary Taylor, CPA**  
Auditor of State

**THREE RIVERS FIRE DISTRICT**

**COSHOCTON 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 11, 2008**