



Mary Taylor, CPA
Auditor of State

**MIAMI VALLEY FIRE/EMS ALLIANCE
MONTGOMERY COUNTY**

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Mary Taylor, CPA

Auditor of State

Miami Valley Fire/EMS Alliance
Montgomery County
444 West Third Street
Suite 20-213
Dayton, Ohio 45402

To the Board of Directors:

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 a February 2, 2005 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 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 9, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Miami Valley Fire/EMS Alliance
Montgomery County
444 West Third Street
Suite 20-213
Dayton, Ohio 45402

To the Board of Directors:

We have audited the accompanying financial statements of the Miami Valley Fire/EMS Alliance, Montgomery County, (the Alliance) as of and for the year ended September 30, 2006. These financial statements are the responsibility of the Alliance'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. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Alliance 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.

Revisions to GAAP would require the Alliance to reformat its financial statement presentation and make other changes effective for the year ended September 30, 2006. Instead of the combined funds the accompanying financial statements present for 2006, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006. While the Alliance does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Alliance has elected not to reformat its statements. Since this Alliance does not use GAAP to measure financial statement amounts, 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.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended September 30, 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Alliance as of September 30, 2006, or its changes in financial position for the year then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Miami Valley Fire/EMS Alliance, Montgomery County, as of September 30, 2006, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Alliance to include Management's Discussion and Analysis for the year ended September 30, 2006. The Alliance 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 April 9, 2007, on our consideration of the Alliance'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.

We conducted our audit to opine on the Alliance's financial statements. The accompanying Schedule of Federal Awards Expenditures is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected the Schedule of Federal Awards Expenditures to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Mary Taylor, CPA
Auditor of State

April 9, 2007

**MIAMI VALLEY FIRE/EMS ALLIANCE
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Intergovernmental	\$21,000	\$2,296,877		\$2,317,877
Charges for Services	137,709			137,709
Earnings on Investments	2,747	50		2,797
CPAT Income	4,400			4,400
Entry Level Test	4,850			4,850
Donations		21,109		21,109
Other Revenue	319	7,500	\$3,572	11,391
Total Cash Receipts	<u>171,025</u>	<u>2,325,536</u>	<u>3,572</u>	<u>2,500,133</u>
Cash Disbursements:				
Current:				
General Government	169,597	2,395,225	7,652	2,572,474
Total Disbursements	<u>169,597</u>	<u>2,395,225</u>	<u>7,652</u>	<u>2,572,474</u>
Total Receipts Over/(Under) Disbursements	<u>1,428</u>	<u>(69,689)</u>	<u>(4,080)</u>	<u>(72,341)</u>
Fund Cash Balances, October 1	<u>222,713</u>	<u>289,680</u>	<u>38,544</u>	<u>550,937</u>
Fund Cash Balances, September 30	<u><u>\$224,141</u></u>	<u><u>\$219,991</u></u>	<u><u>\$34,464</u></u>	<u><u>\$478,596</u></u>

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

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**MIAMI VALLEY FIRE/EMS ALLIANCE
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Miami Valley Fire/EMS Alliance, Montgomery County, (the Alliance) has been established as a Regional Council of Governments pursuant to the constitution and laws of Ohio, including, but not limited to Ohio Revised Code Chapter 167. The purpose of the Board hereby established is to foster cooperation among the political subdivisions through the establishment of an organization which will promote programs and recommend matters which will result in more efficient methods of delivering fire and emergency medical services in the region. By-laws were adopted on February 8, 1995. Ultimate authority of the Alliance shall be vested in a Fire/EMS Alliance Board. The Board consists of a representative from each political subdivision that has paid the "per capita" fee assessed against it or has contractually paid the "per-capita" fee assessed against another political subdivision from which it receives Fire/EMS services. Each political subdivision may have one delegate and one alternate to the Board who shall be appointed by the legislative authority of said political subdivision.

The Alliance also assumed the duties as fiscal administrator for Ohio Task Force 1.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Auditor of State prescribes.

C. Cash and Investments

Certificates of Deposit are valued at cost.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from trusts or for capital projects) restricted to expenditure for specific purposes. The Alliance had the following significant Special Revenue Funds: Ohio Task Force One and Greater Montgomery County Rescue Strike Team.

**MIAMI VALLEY FIRE/EMS ALLIANCE
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fiduciary Fund (Trust and Agency Fund)

This fund accounts for resources restricted by legally binding trust agreements and funds for which the Alliance is acting in an agency capacity.

The Alliance had the following significant Fiduciary Fund: Miami Valley Fire/EMS Corporation.

E. Budgetary Process

Ohio Revised Code Chapter 167 does not address the budgetary process of Regional Council of Governments but allows the government to adopt by-laws that may address budgetary matters. The Alliance's by-laws require that the Alliance Board must adopt an Annual Budget. This budget is prepared by the Executive Director for the fiscal year beginning in the next October 1 and submitted to the Alliance Board two weeks prior to the last quarterly meeting for approval.

F. Property, Plant, and Equipment

The Alliance records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do 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 statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Alliance maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at September 30 follows:

	<u>2006</u>
Demand deposits	\$370,465
Certificates of deposit	108,131
Total deposits and investments	<u>\$478,596</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation; or (2) collateralized by the financial institution's public entity deposit pool.

**MIAMI VALLEY FIRE/EMS ALLIANCE
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2006
(Continued)**

3. RETIREMENT SYSTEMS

The Alliance's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2006, PERS member employees contributed 9% of their gross salaries and the Alliance contributed an amount equal to 13.7% of participants' gross salaries. The Alliance has paid all contributions required through September 30, 2006.

4. RISK MANAGEMENT

Commercial Insurance

The Alliance has obtained commercial insurance for the following risks:

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

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**MIAMI VALLEY FIRE/EMS ALLIANCE
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

FEDERAL GRANTOR Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
National Urban Search and Rescue (US&R) Response System		97.025	
Federal Emergency Management Agency (FEMA) 04 Grant	EMW-2004-CA-0338		\$271,437
Federal Emergency Management Agency (FEMA) 05 Grant	EMW-2005-CA-0278		628,472
Hurricane Dennis Modification 018	EMW-2001-CA-0363		67,200
Hurricane Katrina Modifications 019 & 021	EMW-2001-CA-0363		498,582
Hurricane Ophelia Modification 020	EMW-2001-CA-0363		272,107
Hurricane Rita Modification 022	EMW-2001-CA-0363		<u>402,326</u>
Total National Urban Search and Rescue (US&R) Response System			<u>2,140,124</u>
Passed Through Ohio Emergency Management Agency Passed Through Montgomery County, Ohio, Department of Emergency Management			
State Domestic Preparedness Equipment Support Program	S05-USARA-57-0102	97.004	<u>98,461</u>
Total United States Department of Homeland Security			<u><u>\$2,238,585</u></u>

The accompanying notes are an integral part of this schedule.

**MIAMI VALLEY FIRE/EMS ALLIANCE
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED SEPTEMBER 30, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Alliance's federal award programs. The schedule has been prepared on the cash basis of accounting.



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*

Miami Valley Fire/EMS Alliance
Montgomery County
444 West Third Street
Suite 20-213
Dayton, Ohio 45402

To the Board of Directors:

We have audited the financial statements of the Miami Valley Fire/EMS Alliance, Montgomery County, (the Alliance) as of and for the year ended September 30, 2006, and have issued our report thereon dated April 9, 2007, wherein we noted the Alliance followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 Alliance's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Alliance'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 instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Miami Valley Fire/EMS Alliance
Montgomery County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management, the Board of Directors, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

April 9, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Miami Valley Fire/EMS Alliance
Montgomery County
444 West Third Street
Suite 20-213
Dayton, Ohio 45402

To the Board of Directors:

Compliance

We have audited the compliance of the Miami Valley Fire/EMS Alliance (the Alliance) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended September 30, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the Alliance's major federal program. The Alliance's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the Alliance's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Alliance's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Alliance's compliance with those requirements.

In our opinion, the Miami Valley Fire/EMS Alliance complied, in all material respects, with the requirements referred to above that apply to the major federal program for the year ended September 30, 2006.

Internal Control Over Compliance

The Alliance's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Alliance's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the management, the Board of Directors, and federal awarding agency. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

April 9, 2007

**MIAMI VALLEY FIRE/EMS ALLIANCE
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
SEPTEMBER 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA 97.025 - National Urban Search and Rescue Response System
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

MIAMI VALLEY FIRE/EMS ALLIANCE

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 23, 2007**