

**JOINT EMERGENCY MEDICAL SERVICE DISTRICT  
WARREN COUNTY, OHIO**

**Financial Statements**

**Years Ended December 31, 2010 and 2009**

**Independent Auditor's Report**





# Dave Yost • Auditor of State

Board of Trustees  
Joint Emergency Medical Service District  
201 East 6th Street  
Franklin, Ohio 45005

We have reviewed the *Independent Auditor's Report* of the Joint Emergency Medical Service District, Warren County, prepared by Cassady Schiller & Associates Inc., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Joint Emergency Medical Service District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

October 25, 2011

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**JOINT EMERGENCY MEDICAL SERVICE DISTRICT  
WARREN COUNTY, OHIO  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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## Independent Auditor's Report



To the Board of Trustees  
Joint Emergency Medical Service District  
Warren County, Ohio

We have audited the accompanying financial statements of the Joint Emergency Medical Service District, Warren County, Ohio (the District), as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed more fully in Note 1, the 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 for 2010 and 2009, GAAP requires presenting entity wide statements and also presenting the District's larger (i.e., major) funds separately for 2010 and 2009. While the 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, Districts to reformat their statements. The 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.

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, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2010 and 2009 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 and reserves for encumbrances of the Joint Emergency Medical Service District, Warren County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

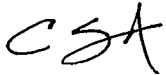
**CERTIFIED PUBLIC ACCOUNTANTS**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2011 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliances, 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.

A handwritten signature in black ink, consisting of the letters 'CSA' in a cursive, stylized font.

July 19, 2011



**JOINT EMERGENCY MEDICAL SERVICE DISTRICT  
WARREN COUNTY, OHIO  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Cash receipts:		
Local taxes	\$ 470,611	\$ 469,185
Intergovernmental	68,743	67,832
Charges for services	732,488	693,172
Total cash receipts	<u>1,271,842</u>	<u>1,230,189</u>
Cash disbursements:		
Current:		
General government	1,362,790	1,385,782
Human services	4,090	4,099
Debt service:		
Redemption of principal	12,618	21,748
Interest	2,270	896
Capital outlay	205,452	14,723
Total cash disbursements	<u>1,587,220</u>	<u>1,427,248</u>
Total cash disbursements over cash receipts	(315,378)	(197,059)
Other financing receipts:		
Sale of notes	82,000	-
Other financing sources	241,891	161,013
Other financing uses	(120)	-
Total other financing receipts	<u>323,771</u>	<u>161,013</u>
Excess of cash receipts and other financing receipts over cash disbursements (cash disbursements over cash receipts and other financing receipts)	8,393	(36,046)
Fund cash balances, January 1	<u>366,191</u>	<u>402,237</u>
Fund cash balances, December 31	<u>\$ 374,584</u>	<u>\$ 366,191</u>
Reserves for encumbrances, December 31	<u>\$ 27</u>	<u>\$ 3,800</u>

**JOINT EMERGENCY MEDICAL SERVICE DISTRICT  
WARREN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**1. Nature of operations and summary of significant accounting policies**

Description of the entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Joint Emergency Medical Service District, Warren County, Ohio (the District), as a body corporate and politic. A three-member Board of Trustees governs the District. One board member is appointed by each political subdivision within the District. Those subdivisions are the City of Franklin, the Village of Carlisle, and Franklin Township. The District provides 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.

Accounting basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. The basis is similar to the cash receipts and disbursements accounting basis. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

Budgetary process

The Ohio Revised Code requires the District to budget annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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. 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 also approve estimated resources.

Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 3.

Property, plant, and equipment

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

**2. Cash and deposits**

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

	<u>2010</u>	<u>2009</u>
Demand deposits	\$ <u>374,584</u>	\$ <u>366,191</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.

**3. Budgetary activity**

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts

<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
\$ 1,513,733	\$ 1,595,733	\$ 82,000

2010 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
\$ 1,563,985	\$ 1,587,367	\$ (23,382)

2009 Budgeted vs. Actual Receipts

<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
\$ 1,094,292	\$ 1,391,202	\$ 296,910

2009 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
\$ 1,491,787	\$ 1,431,048	\$ 60,739

#### 4. Property tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. The second half payment is due the following June 20.

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 District.

#### 5. Debt

Debt outstanding at December 31, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2010 Ambulance Loan	\$69,382	5.40%

During 2010, the District obtained a loan ("2010 Ambulance Loan") of \$82,000 to purchase one ambulance for the District. The loan is to be repaid in monthly installments of \$2,481, including interest. Payments made on this loan during 2010 totaled \$14,888, of which \$2,270 represented interest. The 2010 Ambulance Loan matures in 2013, and the District expects to make the following future minimum payments:

2011	\$ 26,683
2012	28,160
2013	<u>14,539</u>
	\$ <u>69,382</u>

At January 1, 2009, the District had a 2007 Ambulance Loan in the amount of \$21,748 related to the purchase of an ambulance for the District. This loan was paid off during 2009. Payments of \$22,644 were made in 2009, of which \$896, represented interest.

#### 6. Retirement systems

The District's full-time fire employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-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 2010 and 2009, PERS member employees contributed 10.00% of their gross salaries, while the District contributed an amount equal to 14.00% of participants' gross salaries. The District has paid all contributions required through December 31, 2010.

## **7. Risk management**

### Commercial insurance

The District has obtained commercial insurance for the following risks:

- a. Comprehensive property and general liability;
- b. Vehicles; and
- c. Errors and omissions.

## **8. Subsequent events**

Subsequent events were evaluated for disclosure through July 19, 2011, which was the date the financial statements were available to be issued. No subsequent events that require disclosure occurred through this date.

**Independent Accountants' Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Required by Government Auditing Standards**

To the Board of Trustees  
Joint Emergency Medical Service District  
Warren County, Ohio



We have audited the financial statements of the Joint Emergency Medical Service District, Warren County, Ohio (the District), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated July 19, 2011, wherein we noted that the District prepared its financial statements using accounting principles the Auditor of State established 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to be 'CSA', is written over the date.

July 19, 2011

CERTIFIED PUBLIC ACCOUNTANTS

4705 Lake Forest Drive

Cincinnati, Ohio 45242

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**JOINT EMERGENCY MEDICAL SERVICE DISTRICT  
WARREN COUNTY, OHIO  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2010 AND 2009**

No findings were noted during our testing.

**JOINT EMERGENCY MEDICAL SERVICE DISTRICT  
WARREN COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008**

No findings were noted during our testing.





# Dave Yost • Auditor of State

**JOINT EMERGENCY MEDICAL SERVICE DISTRICT**

**WARREN 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  
NOVEMBER 10, 2011**