



OHIO AUDITOR OF STATE  
**KEITH FABER**





**JOINT EMERGENCY MEDICAL SERVICES  
WARREN COUNTY  
DECEMBER 31, 2020 AND 2019**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Joint Emergency Medical Services  
Warren County  
201 East Sixth Street  
Franklin, Ohio 45005

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 year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of Joint Emergency Medical Services, Warren County, Ohio (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.

***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, 2020 and 2019, 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 year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 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 to the financial statements for the year ended December 31, 2020, the financial impact of COVID-19 and the continuing emergency measures may 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 July 28, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio  
July 28, 2021

**Joint Emergency Medical Services**  
*Warren County*  
**Combined Statement of Receipts, Disbursements and**  
**Changes In Fund Balances (Regulatory Cash Basis)**  
*All Governmental Fund Types*  
**For the Year Ended December 31, 2020**

|   | General                 | Special<br>Revenue      | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|-------------------------|--------------------------------|
| <b>Cash Receipts</b>                                  |                         |                         |                                |
| Property and Other Local Taxes                        | \$965,819               | \$0                     | \$965,819                      |
| Charges for Services                                  | 0                       | 379,719                 | 379,719                        |
| Intergovernmental                                     | 153,282                 | 10,607                  | 163,889                        |
| Miscellaneous   | 127,474                 | 0                       | 127,474                        |
| <i>Total Cash Receipts</i>                            | <u>1,246,575</u>        | <u>390,326</u>          | <u>1,636,901</u>               |
| <b>Cash Disbursements</b>                             |                         |                         |                                |
| Current Disbursements:                                |                         |                         |                                |
| General Government                                    | 1,171,723               | 0                       | 1,171,723                      |
| Public Safety   | 0                       | 393,116                 | 393,116                        |
| Human Services  | 1,180                   | 0                       | 1,180                          |
| Capital Outlay  | 9,336                   | 186,982                 | 196,318                        |
| Debt Service:   |                         |                         |                                |
| Principal Retirement                                  | 0                       | 14,921                  | 14,921                         |
| Interest and Fiscal Charges                           | 0                       | 1,281                   | 1,281                          |
| <i>Total Cash Disbursements</i>                       | <u>1,182,239</u>        | <u>596,300</u>          | <u>1,778,539</u>               |
| <i>Excess Receipts Over (Under) Disbursements</i>     | <u>64,336</u>           | <u>(205,974)</u>        | <u>(141,638)</u>               |
| <b>Other Financing Receipts (Disbursements)</b>       |                         |                         |                                |
| Other Financing Sources                               | 8,245                   | 186,982                 | 195,227                        |
| Other Financing Uses                                  | (6,741)                 | 0                       | (6,741)                        |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>1,504</u>            | <u>186,982</u>          | <u>188,486</u>                 |
| <i>Net Change in Fund Cash Balance</i>                | 65,840                  | (18,992)                | 46,848                         |
| <i>Fund Cash Balances, January 1</i>                  | <u>545,224</u>          | <u>915,161</u>          | <u>1,460,385</u>               |
| <i>Fund Cash Balances, December 31</i>                | <u><u>\$611,064</u></u> | <u><u>\$896,169</u></u> | <u><u>\$1,507,233</u></u>      |

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

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**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Joint Emergency Medical Service, Warren County, (the District) as a body corporate and politic. A two member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are the Village of Carlisle and Franklin Township. Joint Emergency Medical Service provides EMS service 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.

**Special Revenue Funds** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

**EMS Fund** This fund accounts for monies received through billings for charges for services.

**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 117-203 (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 117-203 (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 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. 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.

**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 2020 budgetary activity appears in Note 3

**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Deposits and Investments**

The District has only one account and that is a checking account.

**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.

**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

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

| 2020 Budgeted vs. Actual Receipts |                      |                    |             |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance    |
| General                           | \$1,441,802          | \$1,254,820        | (\$186,982) |
| Special Revenue                   | 390,326              | 577,308            | 186,982     |
| Total                             | \$1,832,128          | \$1,832,128        | \$0         |

**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

| 2020 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |             |
|---|----------------------------|---------------------------|-------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance    |
| General   | \$1,794,205                | \$1,195,591               | \$598,614   |
| Special Revenue                                       | 1,175,768                  | 606,149                   | 569,619     |
| Total   | \$2,969,973                | \$1,801,740               | \$1,168,233 |

**Note 4 – Deposits**

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

|                 |             |
|-----------------|-------------|
|                 | 2020        |
| Demand deposits | \$1,507,233 |
| Total deposits  | 1,507,233   |

**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 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.

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

**Note 6 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:  
 Comprehensive property and general liability;  
 Vehicles; and  
 Errors and omissions.

**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 7 – Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

All 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, 2020.

**Note 8 – Postemployment Benefits**

OPERS offer 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 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

**Note 9 – Debt**

Debt outstanding at December 31, 2020, was as follows:

|                            | Principal | Interest Rate |
|----------------------------|-----------|---------------|
| 2019 Medix Ambulance Lease | \$172,061 | 2.5%          |

The District entered into a lease in 2020 to finance the purchase of a new ambulance.

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

| Year Ending<br>December 31: | Lease     |
|-----------------------------|-----------|
| 2021                        | \$64,808  |
| 2022                        | 64,808    |
| 2023                        | 48,606    |
| Total                       | \$178,222 |

**Note 10 – Fund Balances**

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

|                          |         | Special |          |
|--------------------------|---------|---------|----------|
| Fund Balances            | General | Revenue | Total    |
| Outstanding Encumbrances | 6,611   | 9,849   | 16,460   |
| Total                    | \$6,611 | \$9,849 | \$16,460 |

**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 11 – COVID-19**

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

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**Joint Emergency Medical Services**  
*Warren 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**

|   | General          | Special<br>Revenue | Totals<br>(Memorandum<br>Only) |
|---|------------------|--------------------|--------------------------------|
| <b>Cash Receipts</b>                              |                  |                    |                                |
| Property and Other Local Taxes                    | \$957,145        | \$0                | \$957,145                      |
| Charges for Services                              | 0                | 385,311            | 385,311                        |
| Intergovernmental                                 | 169,193          | 0                  | 169,193                        |
| <i>Total Cash Receipts</i>                        | <u>1,126,338</u> | <u>385,311</u>     | <u>1,511,649</u>               |
| <b>Cash Disbursements</b>                         |                  |                    |                                |
| Current Disbursements:                            |                  |                    |                                |
| General Government                                | 1,091,298        | 0                  | 1,091,298                      |
| Public Safety                                     | 0                | 292,061            | 292,061                        |
| Human Services                                    | 1,168            | 0                  | 1,168                          |
| Capital Outlay                                    | 12,280           | 0                  | 12,280                         |
| Debt Service:                                     |                  |                    |                                |
| Principal Retirement                              | 0                | 215,086            | 215,086                        |
| Interest and Fiscal Charges                       | 0                | 6,409              | 6,409                          |
| <i>Total Cash Disbursements</i>                   | <u>1,104,746</u> | <u>513,556</u>     | <u>1,618,302</u>               |
| <i>Excess Receipts Over (Under) Disbursements</i> | <u>21,592</u>    | <u>(128,245)</u>   | <u>(106,653)</u>               |
| <b>Other Financing Receipts</b>                   |                  |                    |                                |
| Other Financing Sources                           | 4,446            | 0                  | 4,446                          |
| <i>Total Other Financing Receipts</i>             | <u>4,446</u>     | <u>0</u>           | <u>4,446</u>                   |
| <i>Net Change in Fund Cash Balance</i>            | 26,038           | (128,245)          | (102,207)                      |
| <i>Fund Cash Balances, January 1</i>              | <u>519,186</u>   | <u>1,043,406</u>   | <u>1,562,592</u>               |
| <b>Fund Cash Balances, December 31</b>            |                  |                    |                                |
| Restricted  |                  | 915,161            | 915,161                        |
| Unassigned  | 545,224          |                    | 545,224                        |
| <i>Fund Cash Balances, December 31</i>            | <u>\$545,224</u> | <u>\$915,161</u>   | <u>\$1,460,385</u>             |

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

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**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

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**Note 2 – Summary of Significant Accounting Policies**

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**Special Revenue Funds** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

EMS Fund This fund accounts for monies received through billings for charges for services.

**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 117-203 (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 117-203 (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 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. 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.

**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.

**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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A summary of 2019 budgetary activity appears in Note 3

**Deposits and Investments**

The District has only one account and that is a checking account.

**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.

**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

**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.

**Note 3 – Budgetary Activity**

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

**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

2019 Budgeted vs. Actual Receipts

| Fund Type       | Budgeted<br>Receipts | Actual<br>Receipts | Variance        |
|-----------------|----------------------|--------------------|-----------------|
| General         | \$1,091,808          | \$1,130,784        | \$38,976        |
| Special Revenue | 385,311              | 385,311            | 0               |
| <b>Total</b>    | <b>\$1,477,119</b>   | <b>\$1,516,095</b> | <b>\$38,976</b> |

2019 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type       | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance           |
|-----------------|----------------------------|---------------------------|--------------------|
| General         | \$1,543,877                | \$1,108,847               | \$435,030          |
| Special Revenue | 1,318,406                  | 517,493                   | 800,913            |
| <b>Total</b>    | <b>\$2,862,283</b>         | <b>\$1,626,340</b>        | <b>\$1,235,943</b> |

**Note 4 – Deposits**

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

|                 |                     |
|-----------------|---------------------|
| Demand deposits | 2019<br>\$1,460,385 |
| Total deposits  | 1,460,385           |

**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 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.

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

**Note 6 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

**Joint Emergency Medical Service**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**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**

All 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.

**Note 8 – Postemployment Benefits**

OPERS offer 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.

# OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
(513) 361-8550 or (800) 368-7419  
SouthwestRegion@ohioauditor.gov

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

Joint Emergency Medical Services  
Warren County  
201 East Sixth Street  
Franklin, Ohio 45005

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 for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of Joint Emergency Medical Services, Warren County, (the District) and have issued our report thereon dated July 28, 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. We also noted the financial impact of COVID-19 and the continuing emergency measures which may 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 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 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 deficiencies, in internal control that is 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 first paragraph of this section and was not designed to identify all internal control deficiencies 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 findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

### ***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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***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.



Keith Faber  
Auditor of State  
Columbus, Ohio  
July 28, 2021

**JOINT EMERGENCY MEDICAL SERVICES  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2020-001**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

We identified the following conditions related to the District's financial statements at December 31, 2020:

- Refunds received from the Bureau of Workers Compensation (BWC) and vendors were misclassified as Intergovernmental Revenue and Other Financing Sources, resulting in an understatement of Miscellaneous Revenue in the amount of \$127,474 and an overstatement of Intergovernmental Revenue and Other Financing Sources in the amounts of \$102,964 and \$24,510, respectively, in the General Fund.
- Principal and interest payments related to the District's debt were misclassified as Public Safety disbursements, resulting in an understatement of Principal Retirement and Interest disbursements and an overstatement of Public Safety disbursements, in the amount of \$14,921 (principal) and \$1,281 (interest) in the Special Revenue Fund.
- Lease proceeds and the related disbursement were posted to an improper fund, resulting in an overstatement in the General Fund and an understatement in the Special Revenue Fund of Other Financing Sources and Capital Outlay in the amount of \$186,982.

We identified the following conditions related to the District's financial statements at December 31, 2019:

- Refunds received from the BWC were misclassified as Intergovernmental Revenue, resulting in an understatement of Miscellaneous Revenue and an overstatement of Intergovernmental Revenue in the amount of \$14,676, in the General Fund.
- Encumbrances were misclassified in the Fund Cash Balances, resulting in an understatement of Assigned Fund Balance and an overstatement of Unassigned Fund Balance in the amount of \$4,101, in the General Fund.
- Principal and interest payments related to the District's debt were misclassified as Public Safety disbursements, resulting in an understatement of Principal Retirement and Interest disbursements and an overstatement of Public Safety disbursements, in the amount of \$215,086 (principal) and \$6,409 (interest) in the Special Revenue Fund.

The financial statements have been adjusted for these errors, where applicable, except the two 2019 misstatements affecting the General Fund in the amounts of \$14,676 and \$4,101, as they were not significant to the financial statements.

The District did not have procedures in place for effective monitoring of financial activity and the accuracy of accounting and financial reporting. Failure to accurately post financial activity and monitor financial activity increases the risk that errors, theft, and fraud could occur and not be detected in a timely manner.

**FINDING NUMBER 2020-001  
(Continued)**

Due care should be exercised when posting entries to the financial records and preparation of the financial statements to prevent errors and to assist in properly reflecting the District's financial activity. In addition, the Board should adopt procedures for ongoing reviews of the activity recorded in the underlying accounting records and reported on the financial statements so that errors can be detected and corrected in a timely manner.

**Officials' Response:**

We did not receive a response from Officials to this finding.



**JOINT EMERGENCY MEDICAL SERVICES**

201 East Sixth Street  
Franklin, OH 45005

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2020 AND 2019**

| <b>Finding Number</b> | <b>Finding Summary</b>   | <b>Status</b>       | <b>Additional Information</b>         |
|-----------------------|--|---------------------|---------------------------------------|
| 2018-001              | Financial statement reporting errors                                 | Not Corrected       | Reissued as Finding 2020-001          |
| 2018-002              | Ohio Rev. Code § 5705.40, failure to approve appropriation amendment | Fully Corrected     |                                       |
| 2018-003              | Failure to monitor billings and receipts from service organization   | Partially Corrected | Reissued as management letter comment |



# OHIO AUDITOR OF STATE KEITH FABER



**JOINT EMERGENCY MEDICAL SERVICES**

**WARREN 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 8/17/2021**

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)