

JOINT EMERGENCY MEDICAL SERVICE DISTRICT

Regular Audit

Years Ended December 31, 2004 and 2003



**Auditor of State
Betty Montgomery**

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

We have reviewed the *Independent Accountants' Report* of the Joint Emergency Medical Service District, Warren County, prepared by Cassady Schiller & Associates, Inc. for the audit period January 1, 2003 through December 31, 2004. 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's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the 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. 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 Accountants' Report* also includes an opinion on the financial statements using the regulatory format the AOS 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 4, 2005

This Page is Intentionally Left Blank.

JOINT EMERGENCY MEDICAL SERVICE DISTRICT

REGULAR AUDIT

YEARS ENDED DECEMBER 31, 2004 AND 2003

TABLE OF CONTENTS

Independent Accountants' Report.....	1-2
Audited Financial Statements:	
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances	3
Notes to the Financial Statements.....	4-7
Independent Accountants' Report on Compliance and Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8
Schedule of Findings and Questioned Costs.....	9
Schedule of Prior Audit Findings.....	10

INDEPENDENT ACCOUNTANTS' REPORT



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

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, 2004 and 2003. 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 audits.

We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 audits provide a reasonable basis for our opinion.

As described 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to generally accepted accounting principles would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e major) funds separately for 2004. While the District does not follow generally accepted accounting principles, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new generally accepted accounting principles presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use generally accepted accounting principles 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-generally accepted accounting principles 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 December 31, 2004 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, 2004 or its changes in financial position for the year 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 District, as of December 31, 2004 and 2003, and its combined cash receipts and cash disbursements for the years then ended on the basis of accounting described in Note 1.

CERTIFIED PUBLIC ACCOUNTANTS

4705 Lake Forest Drive
Cincinnati, Ohio 45242
513/483.6699 Fax: 513.483.6690
800/378.8606



The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 26, 2005 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audits.

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

July 26, 2005

**JOINT EMERGENCY MEDICAL SERVICE DISTRICT
WARREN COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004	2003
Cash Receipts:		
Local taxes	\$ 552,050	\$ 529,736
Intergovernmental	77,444	86,815
Charges for services	458,778	388,404
Licenses, permits, fees and other	18,826	11,344
Miscellaneous refund	29,112	-
Total cash receipts	1,136,210	1,016,299
Cash Disbursements:		
Current:		
General government	1,034,381	930,190
Human services	4,620	-
Debt service:		
Redemption of principal	27,167	46,211
Interest	3,243	5,759
Capital outlay	128,269	97,856
Total cash disbursements	1,197,680	1,080,016
Total cash receipts under cash disbursements	(61,470)	(63,717)
Other Financing Receipts:		
Sale of notes	7,676	-
Other financing sources	52,913	3,695
Total other financing receipts	60,589	3,695
Excess of cash disbursements over cash receipts and other financing receipts	(881)	(60,022)
Fund cash balances, January 1	261,926	321,948
Fund cash balances, December 31	\$ 261,045	\$ 261,926
Reserves for encumbrances, December 31	\$ 1,949	\$ -

**JOINT EMERGENCY MEDICAL SERVICE DISTRICT
WARREN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

1. Summary of Significant Accounting Policies

A. Description of the entity

The Joint Emergency Medical Service District, Warren County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an appointed three-member Board of Trustees. 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.

B. Basis of accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. 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 prescribed or permitted by the Auditor of State.

C. Budgetary process

The Ohio Revised Code requires the District to budget annually.

1. 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. Appropriations lapse at year end.

2. 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.

3. Encumbrances

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

A summary of 2004 and 2003 budgetary activity appears in Note 3.

D. Property, plant and equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

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>2003</u>	<u>2004</u>
Demand deposits	\$ 261,926	\$ 261,045

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, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts

<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
\$ 1,116,018	\$ 1,196,799	\$ 80,781

2004 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
\$ 1,312,827	\$ 1,199,629	\$ 113,198

2003 Budgeted vs. Actual Receipts

<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
\$ 948,891	\$ 1,019,994	\$ 71,103

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
\$ 1,242,758	\$ 1,080,016	\$ 162,742

4. Property tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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, 2004 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2002 Ambulance Loan	\$ 42,039	5.00%

The 2002 Ambulance Loan was obtained to purchase one ambulance for the District. The loan is to be repaid in annual installments of \$22,602, including interest.

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

	<u>Amount</u>
2005	\$ 22,602
2006	<u>22,602</u>
Total	\$ <u>45,204</u>

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 2004 and 2003, PERS member employees contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2004. The District has paid all contributions required through December 31, 2004.

7. Risk management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

CSA

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

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, 2004 and 2003, and have issued our report thereon dated July 26, 2005, 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting 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 misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operations that we consider to material weaknesses.

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 grants, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 instances of noncompliance or other matters that are required to be reported under *Government Audit Standards* which are described in the accompanying schedule of findings and questioned costs as item 04-01.

We also noted certain additional matters that we reported to management of the District in a separate letter dated July 26, 2005.

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

CSA

July 26, 2005

CERTIFIED PUBLIC ACCOUNTANTS

4705 Lake Forest Drive
Cincinnati, Ohio 45242

513/483.6699 Fax: 513.483.6690
800/378.8606



**JOINT EMERGENCY MEDICAL SERVICE DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2004 AND 2003**

REFERENCE NUMBER

FINDING

#04-01

CERTIFICATION OF TAX LEVIES

Ohio Revised Code section 5705.34 requires each taxing authority to pass an ordinance or resolution to certify the levies to the county auditor before October 1st, unless a later date is approved by the tax commissioner.

The district failed to have their tax resolution certified by the county auditor for the year ended December 31, 2003.

The district corrected this issue for the year ended December 31, 2004.

**JOINT EMERGENCY MEDICAL SERVICE DISTRICT
WARREN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid</u>
2002-60483-001	Internal Control – Improper approval on checks written by former clerk.	Fully corrected	
2002-60483-002	Internal Control – A Receipt ledger and Expenditure ledger was not maintained by the District during the audit period.	Fully corrected	
2002-60483-003	Internal Control – Expenditures were not approved by the Board of Trustees.	Fully corrected	
2002-60483-004	Noncompliance – Not properly encumbering.	Fully corrected	
2002-60483-005	Noncompliance – Not following record retention policy.	Fully corrected	
2002-60483-006	Noncompliance – Receipts not deposited in a timely manner.	Fully corrected	
2002-60483-007	Internal Control – Proper budgetary procedures were not followed.	Partially corrected	<p>The District failed to have their tax resolution certified by the county auditor for the year ended December 31, 2003. The District did not receive notification indicating non-compliance with this code section until after violating the same code section for 2003.</p> <p>This is also described in the accompanying schedule of findings and questioned costs as item 04-01.</p> <p>The District addressed this issue and was in compliance for 2004.</p>



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
OCTOBER 20, 2005**