

COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT

PORTAGE COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2013 and 2012





Dave Yost • Auditor of State

Board of Trustees
Community Emergency Medical Service District
10804 Forest Street
Garrettsville, Ohio 44231

We have reviewed the *Independent Auditors' Report* of the Community Emergency Medical Service District, Portage County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

July 17, 2014

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COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Audit Report
For the years ended December 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

Community Emergency Medical Service District
Portage County
10804 Forest Street
Garrettsville, Ohio 44231

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Community Emergency Medical Service District, Portage County, (the District) as of and for the years ended December 31, 2013 and 2012.

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 of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fair 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 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 1 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, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

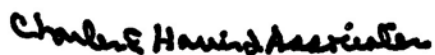
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2013 and 2012, or 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 combined cash balances of Community Emergency Medical Service District, Portage County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2014, 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.



Charles E. Harris & Associates, Inc.
June 10, 2014

**COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2013**

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property Taxes	\$ 354,400	\$ 203,435	-	-	\$ 557,835
Charges for Services	3,800	-	-	-	3,800
Intergovernmental	53,173	-	-	-	53,173
Earnings on Investments	345	761	-	-	1,106
Miscellaneous	251	8,410	-	-	8,661
Total Cash Receipts	411,969	212,606	-	-	624,575
Cash Disbursements:					
Current:					
Salaries	17,942	309,226	-	-	327,168
Employee Fringe Benefits	2,457	43,549	-	-	46,006
Purchased and Contracted Services	27,845	15,402	-	-	43,247
Supplies and Materials	1,989	16,248	-	-	18,237
Other	30,645	93,226	-	-	123,871
Debt Service:					
Principal Retirement	-	-	\$ 56,241	-	56,241
Interest and Fiscal Charges	-	-	2,857	-	2,857
Total Cash Disbursements	80,878	477,651	59,098	-	617,627
Excess of Receipts Over/(Under) Disbursements	331,091	(265,045)	(59,098)	-	6,948
Other Financing Receipts/(Disbursements):					
Transfers In	-	310,000	55,000	\$ 20,000	385,000
Transfers Out	(385,000)	-	-	-	(385,000)
Total Other Financing Receipts/(Disbursements)	(385,000)	310,000	55,000	20,000	-
Net Change in Fund Cash Balances	(53,909)	44,955	(4,098)	20,000	6,948
Fund Cash Balance, January 1, 2013	201,024	105,307	4,523	-	310,854
Fund Cash Balance, December 31, 2013					
Restricted	-	150,262	-	-	150,262
Assigned	-	-	425	20,000	20,425
Unassigned	147,115	-	-	-	147,115
Fund Cash Balances, December 31, 2013	\$ 147,115	\$ 150,262	\$ 425	\$ 20,000	\$ 317,802

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

**COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2012**

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	
Cash Receipts:				
Property Taxes	\$ 363,913	\$ 195,676	-	\$ 559,589
Charges for Services	3,150	-	-	3,150
Intergovernmental	52,239	-	-	52,239
Earnings on Investments	431	755	-	1,186
Miscellaneous	361	17,268	-	17,629
Total Cash Receipts	420,094	213,699	-	633,793
Cash Disbursements:				
Current:				
Salaries	17,849	327,632	-	345,481
Employee Fringe Benefits	2,475	45,082	-	47,557
Purchased and Contracted Services	24,883	13,840	-	38,723
Supplies and Materials	3,072	50,926	-	53,998
Other	23,187	79,865	-	103,052
Debt Service:				
Principal Retirement	-	-	\$ 15,468	15,468
Interest and Fiscal Charges	-	-	3,630	3,630
Total Cash Disbursements	71,466	517,345	19,098	607,909
Excess of Receipts Over/(Under) Disbursements	348,628	(303,646)	(19,098)	25,884
Other Financing Receipts/(Disbursements):				
Transfers In	-	300,000	20,000	320,000
Transfers Out	(320,000)	-	-	(320,000)
Total Other Financing Receipts/(Disbursements)	(320,000)	300,000	20,000	-
Net Change in Fund Cash Balances	28,628	(3,646)	902	25,884
Fund Cash Balance, January 1, 2012	172,396	108,953	3,621	284,970
Fund Cash Balance, December 31, 2012				
Restricted	-	105,307	-	105,307
Assigned	-	-	4,523	4,523
Unassigned	201,024	-	-	201,024
Fund Cash Balances, December 31, 2012	\$ 201,024	\$ 105,307	\$ 4,523	\$ 310,854

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

**COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Community Emergency Medical Service District, Portage County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Village of Garrettsville, Freedom Township, and Nelson Township. The District provides emergency medical services within the District and by contract to areas outside the District.

The District's management believes these financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

B. BASIS OF ACCOUNTING

The Community Emergency Medical Service District prepares its financial statements following 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. 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 prescribed or permitted by the Auditor of State.

C. CASH

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. FUND ACCOUNTING

The District maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restriction associated with each class of funds is as follows:

COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

D. **FUND ACCOUNTING** - (Continued)

Governmental Fund Types:

General Fund: This fund is the general operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

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 Fund:

Ambulance and EMS Fund: This fund accounts for property taxes for operations of the ambulance and EMS department, including but not limited to personnel services, supplies, equipment and utilities.

Debt Service Funds: These funds account for transfers from the General Fund that are used for expenditure for principal and interest. The only debt service is the General Note Retirement Fund.

Capital Project Funds: These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project fund:

Capital Projects Fund: This fund accounts for transfers from the General Fund to reserve resources for capital equipment (i.e. ambulances). This fund has a stipulation that any resources credited to this fund be utilized within eight (8) years of being reserved on a first in first out basis.

E. **BUDGETARY PROCESS**

A budget of estimated cash receipts and disbursements is prepared by the Fiscal Officer, approved by the District Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

1. **Estimated Resources**

The county auditor calculates the estimated revenues available to the District. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the District. The certificate is approved by the county budget commission and sent to the District Fiscal Officer by September 1.

**COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. BUDGETARY PROCESS - (Continued)

1. Estimated Resources - (Continued)

Prior to December 31, the District must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of estimated resources stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Fiscal Officer sends the county auditor a certificate which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected revenue increases or the Fiscal Officer identifies decreases in revenue.

Budgeted receipts, as shown in Note 4, do not include the unencumbered fund balances as of January 1, 2013 and 2012. However, those fund balances are available for appropriation.

2. Appropriations

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

3. Encumbrances

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control. The legal level of control is the object level.

F. 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.

COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

G. **FUND BALANCE**

Fund balance is divided into 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:

1. **Nonspendable**

The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

2. **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.

3. **Committed**

The 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.

4. **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.

5. **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.

**COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

G. FUND BALANCE – (Continued)

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.

2. CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribed allowable deposits and investments. The carrying amount of cash at December 31, 2013 and 2012 follows:

	2013	2012
Demand Deposit	\$ 317,802	\$ 310,854
Total Deposits	\$ 317,802	\$ 310,854

Deposits: Deposits are either: (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by securities specifically pledged by the financial institution to the District or (3) collateralized by the financial institution’s public entity deposit pool.

3. PROPERTY TAX

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

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

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

**COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2013 and 2012 is as follows:

<u>Fund Type</u>	<u>2013 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$410,452	\$411,969	\$1,517
Special Revenue	502,000	522,606	20,606
Debt Service	55,000	55,000	-
Capital Projects	20,000	20,000	-
Total	\$987,452	\$1,009,575	\$22,123

<u>Fund Type</u>	<u>2013 Budgeted vs. Actual Budgetary Basis Disbursements</u>		
	<u>Total Appropriations</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$544,000	\$465,878	\$78,122
Special Revenue	579,000	477,651	101,349
Debt Service	59,100	59,098	2
Capital Projects	-	-	-
Total	\$1,182,100	\$1,002,627	\$179,473

<u>Fund Type</u>	<u>2012 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$408,539	\$420,094	\$11,555
Special Revenue	473,300	513,699	40,399
Debt Service	20,000	20,000	-
Total	\$901,839	\$953,793	\$51,954

<u>Fund Type</u>	<u>2012 Budgeted vs. Actual Budgetary Basis Disbursements</u>		
	<u>Total Appropriations</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$481,500	\$391,466	\$90,034
Special Revenue	579,700	517,345	62,355
Debt Service	20,000	19,098	902
Total	\$1,081,200	\$927,909	\$153,291

COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

5. PENSION PLAN

The District's employees belong to the Ohio Public Employees Retirement System (OPERS), a state operated, cost sharing, multiple employer plans. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. OPERS members contributed 10% in 2012 and 2013 of their gross pay while the District contributed an amount equal to 14% of covered payroll for both years. The District paid all required contributions through 2013.

6. DEBT

Debt outstanding at December 31, 2013 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Community Ambulance, Inc. Loan	<u>\$8,471</u>	<u>4.75%</u>

During 2009, the District entered into a commercial loan agreement in the amount of \$113,285 with the Middlefield Banking Company to finance the purchase of Community Ambulance, Inc., the entity with whom they contracted for ambulance and EMS services. The loan has a term of 84 months with the final payment due in October 2016. Interest is due monthly, with all principal and accrued interest due at maturity.

The loan is secured by a 2006 Braun Ambulance, a 2003 Braun Ambulance, a 2001 Ford Ambulance and a 2004 Ford Explorer owned by the District.

7. RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. York functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

7. RISK MANAGEMENT – (Continued)

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2012, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (the latest information available):

	<u>2012</u>	<u>2011</u>
Assets	\$34,389,569	\$33,362,404
Liabilities	<u>(14,208,353)</u>	<u>(14,187,273)</u>
Retained Earnings	<u>\$20,181,216</u>	<u>\$19,175,131</u>

At December 31, 2012 and 2011 respectively, the liabilities above include approximately \$13.1 million and \$13 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the District's share of these unpaid claims collectible in future years is approximately \$8,919.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP

2011	\$9,563
2012	\$10,371

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**COMMUNITY EMERGENCY MEDICAL SERVICE DISTRICT
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

8. SUBSEQUENT EVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

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Cleveland, OH 44113-1306
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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Community Emergency Medical Services District
Portage County
10804 Forest Street
Garrettsville, Ohio 44231

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 Community Emergency Medical Service District, Portage County, (the District) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated June 10, 2014, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions 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.

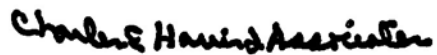
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 determination of financial statement amounts. 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 communication is not suitable for any other purpose.



CHARLES E. HARRIS & ASSOCIATES, INC.
June 10, 2014



Dave Yost • Auditor of State

COMMUNITY EMERGENCY MEDICAL SERVICES DISTRICT

PORTAGE 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
JULY 29, 2014**