



**EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Eastern Emergency Joint Ambulance District
Hamilton County
6904 Murray Avenue
Cincinnati, Ohio 45227

To the Board of Trustees:

We have audited the accompanying financial statements of Eastern Emergency Joint Ambulance District, Hamilton County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the District, as of December 31, 2001 and 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the Audit Committee, management, the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

October 10, 2002

EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY

STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

Cash Receipts:	
Local Taxes	\$457,615
Intergovernmental	45,896
Earnings on Investments	1,913
Miscellaneous	<u>14,088</u>
Total Cash Receipts	<u>519,512</u>
Cash Disbursements:	
Current:	
Security of Persons and Property	315,793
General Government	<u>75,618</u>
Total Disbursements	<u>391,411</u>
Total Receipts Over/(Under) Disbursements	128,101
Fund Cash Balance, January 1	<u>108,202</u>
Fund Cash Balance, December 31	<u><u>\$236,303</u></u>
Reserves for Encumbrances, December 31	<u><u>\$2,560</u></u>

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

**EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

Cash Receipts:	
Local Taxes	\$306,506
Intergovernmental	32,138
Charges for Services	5,000
Earnings on Investments	1,790
Miscellaneous	<u>4,176</u>
Total Cash Receipts	<u>349,610</u>
Cash Disbursements:	
Current:	
Security of Persons and Property	265,075
General Government	<u>81,357</u>
Total Disbursements	<u>346,432</u>
Total Receipts Over/(Under) Disbursements	3,178
Fund Cash Balance, January 1	<u>105,024</u>
Fund Cash Balance, December 31	<u><u>\$108,202</u></u>
Reserves for Encumbrances, December 31	<u><u>\$33</u></u>

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

**EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Eastern Emergency Joint Ambulance District, Hamilton 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 Villages of Fairfax and Mariemont and Columbia 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 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. 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 and Deposits

The District has cash deposits in an interest bearing checking account. Certificates of deposit are valued at cost.

D. Fund Accounting

The District uses fund accounting and has no cash and deposits that are restricted as to use. The District accounts for all financial resources in the General Fund.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2001 and 2000 budgetary activity appears in Note 3.

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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's basis of accounting.

2. CASH AND DEPOSITS

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

	2001	2000
Demand deposits	\$160,070	\$108,202
Certificates of deposit	76,233	0
Total deposits	\$236,303	\$108,202

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

**EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$498,333</u>	<u>\$519,512</u>	<u>\$21,179</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$394,046</u>	<u>\$393,971</u>	<u>\$75</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$452,751</u>	<u>\$349,609</u>	<u>(\$103,142)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$372,390</u>	<u>\$346,465</u>	<u>\$25,925</u>

4. PROPERTY TAX

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

**EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. RETIREMENT SYSTEMS

The District's full-time and part-time emergency medical technicians belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. 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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000 and 2001. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, through December 31, 2000. The District has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The Eastern Emergency Joint Ambulance District has obtained commercial insurance for the following risks:

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

The District also provides health insurance coverage to full-time employees through a private carrier. Dental insurance is provided by the District in an amount up to \$750 per employee, per year.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Eastern Emergency Joint Ambulance District
Hamilton County
6904 Murray Avenue
Cincinnati, Ohio 45227

To the Board of Trustees:

We have audited the accompanying financial statements of Eastern Emergency Joint Ambulance District, Hamilton County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated October 10, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as item 2001-30431-001.

A material weakness is a 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 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. Our consideration of the internal control over financial would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Eastern Emergency Joint Ambulance District
Hamilton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the Audit Committee, management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

October 10, 2002

**EASTERN EMERGENCY JOINT AMBULANCE DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-30431-001

Reportable Condition

At December 31, 2001 and 2000, the District's bank balances were not reconciled to the book balances. The differences of \$3,261 and \$1,669, respectively, were overages in the bank that could not be determined.

Although monthly reconciliations are being performed, errors in the reconciliations varied from month to month and documentation for the reconciling items was not complete. Also, reconciliations are not reviewed for accuracy and completeness. These conditions could result in errors and other irregularities in the financial statements which may not be detected in a timely manner.

We recommend the Clerk reconcile the bank balance to the book balance monthly and document all reconciling items and errors. Also, the reconciliations should be approved by the Board of Trustees in the monthly meetings and documented in the minutes.



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EASTERN EMERGENCY JOINT AMBULANCE DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 7, 2002**