

STATE OF MINNESOTA

Office of the State Auditor



Julie Blaha
State Auditor

**CENTRAL MINNESOTA EMERGENCY
MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

YEAR ENDED DECEMBER 31, 2018

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 100 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits of local governments;

Government Information - collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension - monitors investment, financial, and actuarial reporting for approximately 600 public pension funds; and

Tax Increment Financing - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**CENTRAL MINNESOTA EMERGENCY
MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

Year Ended December 31, 2018



**Audit Practice Division
Office of the State Auditor
State of Minnesota**

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**CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

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Introductory Section

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**CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

**ORGANIZATION
DECEMBER 31, 2018**

Name	Representing	Position
Board Members		
Jim McMahon	Benton County	Secretary
Neal Gaalswyk	Cass County	
Rachel Reabe Nystrom	Crow Wing County	
Les Nielsen	Kanabec County	
Genny Reynolds	Mille Lacs County	
Jeff Jelinski	Morrison County	Chair
Matt Ludwig	Pine County	
Barbara Burandt	Sherburne County	
DeWayne Mareck	Stearns County	Vice Chair
Barb Becker	Todd County	
Sheldon Monson	Wadena County	
Christine Husom	Wright County	
Coordinator		
Marion Larson		

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Financial Section

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JULIE BLAHA
STATE AUDITOR

STATE OF MINNESOTA

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INDEPENDENT AUDITOR'S REPORT

Joint Powers Board
Central Minnesota Emergency
Medical Services Region
St. Cloud, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Central Minnesota Emergency Medical Services Region as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Region's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Region's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Region's internal control. Accordingly, we

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Central Minnesota Emergency Medical Services Region as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

/s/*Julie Blaha*

/s/*Greg Hierlinger*

JULIE BLAHA
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

March 29, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018
(Unaudited)**

The Central Minnesota Emergency Medical Services Region Joint Powers Board's discussion and analysis provides an overview of the Region's financial activities for the fiscal year ended December 31, 2018. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Region's financial statements.

FINANCIAL HIGHLIGHTS

- Total net position is \$242,163. The net position increased by \$8,222 for the year ended December 31, 2018.
- The variability of the dollars received from the Emergency Medical Services (EMS) relief account (Seat Belt Grant funding) continues. The Region continues to budget the revenues based on the projection received from the Minnesota Emergency Medical Services Regulatory Board, (MNEMSRB). In addition, the Region continues to look for additional funding to fill the gap.
- The contract for the Support Grant was renewed in July 2017 and ends June 30, 2019. The funding for this grant remains flat, and the Region anticipates that it will continue to do so.
- The Region received additional funding in 2018 as follows:
 - Volunteer training funds from the MNEMSRB of \$9,703. This funding ended June 30, 2018.
 - Opiate Antagonist Grant funds of \$26,501 as a subgrantee from the West Central Minnesota EMS Corporation. This subgrant agreement ends May 31, 2019.
- The Region anticipates receiving more volunteer training funds from the MNEMSRB in 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the basic financial statements. The Region's basic financial statements consist of two statements, which combine government-wide financial statements and fund financial statements, and notes to the financial statements. The MD&A (this section) is required to accompany the basic financial statements and, therefore, is included as required supplementary information. This report also contains other required supplementary information.

There are two financial statements. The first column of each statement presents governmental fund data, which focus on how money flows in and out and the balances left at year-end that are available for spending. These columns are reported using modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. This column provides a detailed short-term view of the Region's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Region's programs. We reconcile the relationship (or differences) between governmental funds and governmental activities (reported in the third column) in the center column of each statement.

The third column in each statement presents the Statement of Net Position and the Statement of Activities, which provides information about the activities of the Region as a whole and presents a longer-term view of the Region's finances. These columns tell how these services were financed in the short term as well as what remains for future spending.

The Region as a Whole

The Region's combined net position increased from \$233,941 to \$242,163. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Region's governmental activities.

Table 1 – Net Position

	<u>2018</u>	<u>2017</u>
Assets		
Cash and pooled investments	\$ 217,948	\$ 194,274
Due from other governments	<u>24,940</u>	<u>39,724</u>
Total Assets	\$ 242,888	\$ 233,998
Liabilities		
Current liabilities		
Accounts payable	<u>725</u>	<u>57</u>
Net Position - Unrestricted	<u>\$ 242,163</u>	<u>\$ 233,941</u>

The net position of the Region increased by 3.51 percent. Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements—changed from a \$233,941 surplus at December 31, 2017, to \$242,163 at December 31, 2018.

Table 2 – Changes in Net Position

	2018	2017
Revenues		
Program revenues		
Operating grants	\$ 125,513	\$ 173,487
Volunteer training funds	9,703	-
Opiate Antagonist Grant	26,501	10,610
Miscellaneous	687	1,007
Donations	<u>9,565</u>	<u>100</u>
Total Revenues	\$ 171,969	\$ 185,204
Expenses		
Program expenses		
Health		
EMS systems management	\$ 138,481	\$ 144,980
EMS personnel training	-	47,175
EMS devices and supplies	-	19,616
Public safety involvement	<u>25,266</u>	<u>9,348</u>
Total Expenses	\$ 163,747	\$ 221,119
Special Item		
Reassignment of employees to Stearns County	<u>\$ -</u>	<u>\$ 89,081</u>
Increase (Decrease) in Net Position	<u>\$ 8,222</u>	<u>\$ 53,166</u>
Net Position, Beginning	<u>233,941</u>	<u>180,775</u>
Net Position, Ending	<u>\$ 242,163</u>	<u>\$ 233,941</u>

The Region's General Fund

As the Region completed the year, its General Fund (as presented in the first column of the statements) reported a fund balance of \$242,163, which is more than last year's fund balance of \$218,167, an increase of 11.0 percent. The Region has adopted grant budgets for the various grant periods. These budgets may be amended or modified as additional grants are received. A comparison of budgeted revenues and expenditures to actual has not been presented in the financial statements because the budgets are not adopted on an annual fiscal-period basis.

ECONOMIC FACTORS AND NEXT YEAR'S GRANT BUDGETS AND RATES

The Region's officials have considered many factors when planning for the calendar year ending December 31, 2019.

- The Region is awarded the EMS Support Grant on a two-year basis. The grant funding was renewed in July 2017 for another two-year period. The current grant cycle ends June 30, 2019. The funding for this grant remains flat, and the Region anticipates that it will continue to do so.
- The Region continues to see variability of the dollars received from the EMS relief account (Seat Belt Grant funding) and budgets the revenues based on the projection received from the MNEMSRB. In addition, the Region continues to review revenues and expenditures to determine if changes are needed as the year progresses.

CONTACTING THE REGION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Region's finances and to show the Region's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Central Minnesota Emergency Medical Services Region Director, PO Box 1107, St. Cloud, Minnesota 56302.

BASIC FINANCIAL STATEMENTS

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**CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

EXHIBIT 1

**GENERAL FUND BALANCE SHEET AND
STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

	<u>General Fund</u>	<u>Reconciliation</u>	<u>Governmental Activities</u>
<u>Assets</u>			
Current assets			
Cash and investments pooled with Stearns County	\$ 217,948	\$ -	\$ 217,948
Due from other governments	<u>24,940</u>	<u>-</u>	<u>24,940</u>
Total Assets	<u>\$ 242,888</u>	<u>\$ -</u>	<u>\$ 242,888</u>
<u>Liabilities and Fund Balance/Net Position</u>			
Liabilities			
Current liabilities			
Accounts payable	\$ 725	\$ -	\$ 725
Fund Balance			
Unassigned	<u>242,163</u>	(242,163)	
Net Position			
Unrestricted		<u>242,163</u>	<u>242,163</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 242,888</u>	<u>\$ -</u>	<u>\$ 242,888</u>

**CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

EXHIBIT 2

**GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
AND STATEMENT OF ACTIVITIES OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General Fund</u>	<u>Reconciliation</u>	<u>Governmental Activities</u>
Revenues			
State sources			
Emergency Medical Services (EMS) Grant	\$ 67,603	\$ -	\$ 67,603
Seat Belt Grant	73,684	(15,774)	57,910
Volunteer training funds	9,703	-	9,703
Opiate Antagonist Grant	26,501	-	26,501
Miscellaneous	687	-	687
Donations	<u>9,565</u>	<u>-</u>	<u>9,565</u>
Total Revenues	\$ 187,743	\$ (15,774)	\$ 171,969
Expenditures/Expenses			
Current			
Health			
EMS systems management	\$ 138,481	\$ -	\$ 138,481
Public safety involvement	<u>25,266</u>	<u>-</u>	<u>25,266</u>
Total Expenditures/Expenses	\$ 163,747	\$ -	\$ 163,747
Net Change in Fund Balance/Net Position	\$ 23,996	\$ (15,774)	\$ 8,222
Fund Balance/Net Position – January 1	<u>218,167</u>	<u>15,774</u>	<u>233,941</u>
Fund Balance/Net Position – December 31	<u>\$ 242,163</u>	<u>\$ -</u>	<u>\$ 242,163</u>
Reconciliation of the Statement of General Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities			
Net Change in Fund Balance			\$ 23,996
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.			
Change in deferred inflows of resources			(15,774)
Change in Net Position of Governmental Activities			<u>\$ 8,222</u>

**CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies

The Central Minnesota Emergency Medical Services Region's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as of and for the year ended December 31, 2018. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the Region are discussed below.

A. Financial Reporting Entity

The Region was established in 2001 under Minn. Stat. § 471.59. It was established under a joint powers agreement between 14 counties in Central Minnesota to improve the planning, coordination, and implementation of emergency medical services within the member counties. On January 1, 2013, two counties left the Region, leaving 12 member counties. On January 1, 2019, one county is moving to the Metro Region, leaving 11 member counties in the Central Region. The Region provides training primarily for police, fire, and ambulance personnel in emergency medical procedures, and also assists in purchasing medical supplies.

The Region has established a Board which has general supervision over the Region's activities. The Board consists of 12 County Commissioners, one from each of the member counties. The Board elects a chair, vice chair, and secretary/treasurer from its members. The Board has adopted bylaws and operating rules and policies as it has deemed necessary.

The Region is a separate entity independent of the counties that formed it. In accordance with GAAP, the Region's financial statements are not included in any member county's financial statements. However, Stearns County, as fiscal agent, accounts for all transactions of the Region and reports the Region as an agency fund in its financial statements. No single member county retains control over the operations or is financially accountable for the Region.

B. Basic Financial Statements

The financial statements combine fund level financial statements and government-wide financial statements (the governmental activities column). These statements include the financial activities of the overall Joint Powers Board.

CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA

1. Summary of Significant Accounting Policies

B. Basic Financial Statements (Continued)

The government-wide columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Region's net position is unrestricted.

C. Measurement Focus and Basis of Accounting

The governmental activities columns are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund columns (General Fund) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The Region considers all revenues as available if collected within 60 days after the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent that they have matured. When both restricted and unrestricted resources are available for use, it is the Region's policy to use restricted resources first and then unrestricted resources as needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Cash and Pooled Investments

The Region's cash and pooled investments include cash on hand, demand deposits, and cash on deposit with Stearns County. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits will not be returned to it. To cover its custodial credit risk, the County obtains collateral to cover deposits in excess of insurance coverage.

2. Receivables

All receivables are shown net of an allowance for uncollectibles.

CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)

3. Capital Assets

The Region defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased. Donated capital assets are recorded at acquisition value at the date of donation. The Region currently holds no capital assets over the \$5,000 capitalization threshold.

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Region has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. Currently, the Region has no items that qualify for reporting in this category.

5. Classification of Net Position

Net position in the government-wide financial statements is classified in the following categories:

Net investment in capital assets – the amount of net position representing capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted – amounts for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA**

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

5. Classification of Net Position (Continued)

Unrestricted – amounts that do not meet the definition of restricted or net investment in capital assets.

6. Classification of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Region is bound to observe constraints imposed upon the use of the resources in the General Fund. The classifications are as follows:

Nonspendable – amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – amounts for which constraints have been placed on the use of resources 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 or enabling legislation.

Committed – amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Region’s Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned – amounts in the assigned fund balance classification are for the amounts the Region intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned – the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications.

CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)

7. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

The Region did not approve a General Fund budget for fiscal year 2018 and, therefore, a budget to actual statement is not presented.

3. Detailed Notes

A. Assets

1. Deposits

As of December 31, 2018, the Region had \$217,948 on deposit with Stearns County. Authorization to deposit cash in financial institutions is provided by Minn. Stat. § 118A.02. The County may invest in the types of investments authorized by Minn. Stat. §§ 118A.04 and 118A.05. Minnesota statutes require that all County deposits be covered by insurance, surety bond, or collateral.

2. Due From Other Governments

At December 31, 2018, the Region had \$24,940 due from other governments. This represents the amount due from the State of Minnesota for the Emergency Medical Services Grant and the Seat Belt Grant.

B. Liabilities

Accounts Payable

At December 31, 2018, the Region had a \$725 balance in accounts payable.

CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA

3. Detailed Notes (Continued)

C. Expenditures

1. Contracted Services

The Region contracts with Stearns County for administrative services to support the functions of the Region's activities.

2. Emergency Medical Services Devices and Supplies

The Region funds expenditures for the purchase of emergency medical equipment and supplies, such as defibrillators and computers, provided largely to other agencies.

4. Risk Management

The Region is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The Region has entered into a joint powers agreement with Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT) to protect against liabilities from workers' compensation and property and casualty. There were no significant reductions in insurance from the prior year or settlements in excess of insurance coverage for the past three years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2018 and 2019. Should MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the Region, through Stearns County, in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is self-sustaining, and the Region pays an annual premium to cover current and future losses. MCIT carries reinsurance for its property lines to protect against catastrophic losses. Should MCIT Property and Casualty Division liabilities exceed assets, MCIT may assess the Region in a method and amount to be determined by MCIT.

CENTRAL MINNESOTA EMERGENCY MEDICAL SERVICES REGION
ST. CLOUD, MINNESOTA

5. Summary of Significant Contingencies and Other Items

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the Region expects such amounts, if any, to be immaterial.

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**Management and
Compliance Section**

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INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Joint Powers Board
Central Minnesota Emergency
Medical Services Region
St. Cloud, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying financial statements of the governmental activities and the General Fund of the Central Minnesota Emergency Medical Services Region as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Region's basic financial statements, and have issued our report thereon dated March 29, 2019.

The *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for contracting and bidding and for deposits and investments, because those transactions are handled by Stearns County; public indebtedness, because the Region has no debt; and tax increment financing, because the Region administers no tax increment financing districts.

In connection with our audit, nothing came to our attention that caused us to believe that the Central Minnesota Emergency Medical Services Region failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Counties*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Region's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of the Joint Powers Board and management of the Central Minnesota Emergency Medical Services Region and the State Auditor, and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/*Julie Blaha*

/s/*Greg Hierlinger*

JULIE BLAHA
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

March 29, 2019

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