



**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2019**



**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Central Ohio Interoperable Radio System  
Franklin County  
5200 Emerald Parkway  
Dublin, Ohio 43017

To the Members of the Board:

### ***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of the governmental activities and the major fund of the Central Ohio Interoperable Radio System, Franklin County, Ohio (COIRS), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the COIRS's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 COIRS'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 COIRS's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and the major fund of the Central Ohio Interoperable Radio System, Franklin County, Ohio, as of December 31, 2019 and the respective changes in cash financial position for the year then ended in accordance with the accounting basis described in Note 2.

**Emphasis of Matter**

As discussed in Note 7 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the COIRS. We did not modify our opinion regarding this matter.

**Accounting Basis**

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2020, on our consideration of the COIRS'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 COIRS's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

July 31, 2020

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2019

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments with fiscal agent	\$ <u>691,380</u>
<b>Net cash position:</b>	
Unrestricted	\$ <u><u>691,380</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Cash Disbursements</u>	<u>Program Cash Receipts</u> <u>Charges for Services and Sales</u>	<u>Net Receipts and Changes in Net Cash Position</u> <u>Governmental Activities</u>
<b>Governmental activities:</b>			
Security of persons and property	\$ 325,608	\$ 317,500	\$ (8,108)
<b>General cash receipts:</b>			
Interest earnings			18,418
Change in net cash position			10,310
<b>Net cash position at beginning of year</b>			<u>681,070</u>
<b>Net cash position at end of year</b>			<u>\$ 691,380</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS  
GOVERNMENTAL FUND  
DECEMBER 31, 2019

	<u>General</u>
<b>Assets:</b>	
Cash and investments with fiscal agent	\$ <u>691,380</u>
<b>Fund cash balance:</b>	
Committed	\$ 250,000
Assigned	8,744
Unassigned	<u>432,636</u>
Total fund cash balance	\$ <u>691,380</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE - CASH BASIS  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<b>General</b>
<b>Cash receipts:</b>	
Intergovernmental	\$ 317,500
Interest earnings	18,418
Total cash receipts	335,918
 <b>Cash disbursements:</b>	
Security of persons and property:	
Utilities	6,595
Professional services	50,934
Maintenance of equipment	257,026
Insurance and bonding	11,053
Total cash disbursements	325,608
 Net change in fund cash balance	 10,310
 <b>Fund cash balance at beginning of year</b>	 681,070
<b>Fund cash balance at end of year</b>	\$ 691,380

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Central Ohio Interoperable Radio System Council of Governments, Franklin County, Ohio, (COIRS) as a body corporate and politic. COIRS was established in 2009 through an agreement approved by the City of Dublin, the City of Worthington, and Delaware County to allow the members to collaborate in order to create an improved dispatching system (the "System") with enhanced technology, redundancy, spectrum efficiency and interoperability that will better serve the residents of each member's political subdivision. Operations of COIRS began in 2010. Additional political subdivisions may apply for membership in COIRS and will be admitted upon unanimous consent of the representatives of COIRS's Governing Board. In 2014, the City of Hilliard was admitted to COIRS as a member. In 2017, the City of Upper Arlington was admitted to COIRS as a member.

The business of COIRS is managed by the Governing Board as established in the Agreement to Establish a Regional Council of Governments. The Governing Board shall exercise all powers of COIRS which are not otherwise required to be exercised by the members. The Governing Board shall consist of one (1) representative from each member and any subsequently added political subdivisions. The representative from each member shall be the highest-ranking member of that member (e.g. city manager, county administrator) or a designee of that political subdivision. All representatives of the Governing Board are appointed through formal action taken by the political subdivision. Each representative of the Governing Board is entitled to vote on all matters submitted to the Board for a vote.

The City of Dublin, Franklin County, Ohio (the "Fiscal Agent") serves as the fiscal agent for COIRS and provides certain accounting and administrative services to COIRS.

COIRS's management believes these financial statements present all activities for which COIRS is financially accountable.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.B., these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial statements prepared in conformity with GAAP, similar informative disclosures are provided.

**A. Basis of Presentation**

COIRS presents financial statements in a format consistent with GASB Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" The financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements. These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in Note 2.B.

**B. Accounting Basis**

COIRS's financial statements follow the cash basis of accounting which is a basis of accounting permitted or prescribed by the Auditor of State. Under the cash basis of accounting, COIRS recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received, but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**C. Cash and Investments with Fiscal Agent**

COIRS's cash is held and invested by the Fiscal Agent who acts as custodian for COIRS monies. COIRS's deposits are held in the Fiscal Agent's cash and investment pool and are valued at the Fiscal Agent's reported carrying amount. COIRS's portion of the Fiscal Agent's cash management pool is presented on the financial statements as "Cash and Investments with Fiscal Agent".

The Ohio Revised Code prescribes allowable deposits and investments of the Fiscal Agent. The carrying amount of COIRS's cash held by its Fiscal Agent at December 31, 2019 was \$691,380.

Interest earnings are allocated to Fiscal Agent funds according to State statutes, the Charter and Codified Ordinances of the Fiscal Agent, grant requirements, or debt related restrictions. Interest receipts credited to COIRS's General Fund by the Fiscal Agent during 2019 was \$18,418.

**D. Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about COIRS as a whole. These statements include the financial activities of COIRS, which are governmental in nature. The governmental activities of COIRS are financed through fees charged to member subdivisions to cover the annual budgeted operating expenditures.

The statement of net position presents the cash balance of the governmental activities of COIRS at year-end. The statement of activities compares cash disbursements and program cash receipts for each program or function of the COIRS governmental activities. Cash disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which COIRS is responsible. Program cash receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. COIRS's only program cash receipts are fees charged to member subdivisions.

Cash receipts which are not classified as program cash receipts are presented as general cash receipts of COIRS, with certain limited exceptions. COIRS general cash receipts consist of interest earnings. The comparison of direct cash disbursements with program cash receipts identifies the extent to which governmental programs are self-financing on a cash basis or draws from the general cash receipts of COIRS.

**E. Fund Accounting**

COIRS uses fund accounting to segregate cash and investments that are restricted as to use. The General Fund is the general operating fund of COIRS and is used to account for all financial resources.

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**F. Net Position**

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. COIRS first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net cash position is available. COIRS had no restricted net position at December 31, 2019.

**G. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which COIRS must observe constraints imposed upon the use of its resources. The classifications are as follows:

*Nonspendable* - fund balance is classified as nonspendable when legally or contractually required to maintain the amounts intact. COIRS had no nonspendable fund balance at December 31, 2019.

*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. COIRS had no restricted fund balance at December 31, 2019.

*Committed* - COIRS can commit amounts via formal action (resolution) by the Governing Board. COIRS must adhere to these commitments unless the Governing Board amends 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. COIRS had \$250,000 in committed fund balance at December 31, 2019. The committed fund balance is for a capital project.

*Assigned* - assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts also represent intended uses established by the Governing Board or an official delegated the authority to do so by the Governing Board, or by State Statute. COIRS had \$8,744 in assigned fund balance at December 31, 2019.

*Unassigned* - unassigned fund balance is the residual classification for amounts not included within the other classifications.

COIRS applies restricted resources first when disbursements are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**H. Budgetary Process**

The Ohio Revised Code (ORC) does not require COIRS to budget annually, therefore, no budgetary information is presented in these financial statements. COIRS management does prepare a budget for internal monitoring purposes. Expenditures that are within the agreed upon budget shall require a majority consent by a quorum of the Governing Board whereas expenditures that are outside the agreed upon budget shall require a unanimous consent by the representatives of the Governing Board.

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**I. Operating Personnel**

Through the Agreement to Establish a Regional Council of Governments, COIRS has the authority to perform all functions necessary to establish, improve, maintain, unwind and dispose of the System, including employing staff necessary to assist in the operations of COIRS. As of December 31, 2019, COIRS did not have any employees.

**J. Property, Plant, and Equipment**

COIRS records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Property, plant, and equipment contributed by members of COIRS are classified as either a Type 1 physical asset or a Type 2 physical asset. Type 1 physical assets shall remain with the member subdivision that initially provided the asset to COIRS upon the withdrawal or removal of that member or upon the dissolution of COIRS. Type 2 physical assets shall be considered physical assets of COIRS and shall remain an asset of COIRS upon the withdrawal or removal of the member initially providing the asset. Upon dissolution of COIRS, a Type 2 physical asset shall revert back to the member that initially provided the asset.

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2019, COIRS has implemented GASB Statement No. 83, “Certain Asset Retirement Obligations”, GASB Statement No. 84 “Fiduciary Activities”, GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements” and GASB Statement No. 90 “Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61”.

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of COIRS.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of COIRS.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of COIRS.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of COIRS.

**CENTRAL OHIO INTEROPERABLE RADIO SYSTEM  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 4 - RISK MANAGEMENT**

COIRS has obtained commercial insurance for the following risks:

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

Settled claims have not exceeded this coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

**NOTE 5 - RELATED PARTY TRANSACTIONS**

COIRS's operations are funded through fees charged to member subdivisions to cover the annual budgeted operating disbursements. For the year ended December 31, 2019 member fees received by COIRS consisted of the following:

<u>Subdivision</u>	<u>Fee Contributed</u>
City of Dublin	\$ 78,125
City of Worthington	78,125
Delaware County	5,000
City of Hilliard	78,125
City of Upper Arlington	<u>78,125</u>
Total	<u>\$ 317,500</u>

In the year of admission, the member subdivision pays an admission fee to COIRS.

**NOTE 6 - SIGNIFICANT COMMITMENTS**

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year-end are reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were \$8,744.

**NOTE 7 – SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the COIRS. The impact on the COIRS's future operating costs and revenues cannot be estimated.

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

Central Ohio Interoperable Radio System  
Franklin County  
5200 Emerald Parkway  
Dublin, Ohio 43017

To the Members of the Board:

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 cash-basis financial statements of the governmental activities and the major fund of the Central Ohio Interoperable Radio System, Franklin County, Ohio (COIRS) as of and for the ended , and the related notes to the financial statements, which collectively comprise the COIRS’s basic financial statements and have issued our report thereon dated July 31, 2020, wherein we noted the COIRS uses a special purpose framework other than generally accepted accounting principles and the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the COIRS.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the ’s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the COIRS’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 COIRS’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 COIRS'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 COIRS's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the COIRS's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

July 31, 2020

# OHIO AUDITOR OF STATE KEITH FABER



## CENTRAL OHIO INTEROPERABLE RADIO SYSTEM

### FRANKLIN COUNTY

### AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/1/2020

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)