



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Jackson-Forest Ambulance District
Hardin County
1699 Township Road 195
Forest, Ohio 45843

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson-Forest Ambulance District, Hardin County, (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 accounting principles generally accepted in the United States of America.

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 May 20, 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 management, the Board of Trustees and other officials authorized to receive this report under 117.26, Ohio Revised Code, and are 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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 20, 2002

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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

Cash Receipts	
Property Tax Levy	\$28,727
Intergovernmental Income	3,149
Ambulance Runs	6,829
Ambulance Contracts	1,268
Interest Income	1,780
Grant Income	17,910
	<hr/>
Total Cash Receipts	59,663
Cash Disbursements:	
Gasoline	784
Equipment Repair	1,928
Insurance	4,124
Purchase Equipment / Loans	12,555
Radio Equipment	1,996
Medical Supplies	11,552
Office Supplies	607
EMT Training	8,206
Salary - Clerk	2,695
Salary - Squad Coordinator	2,154
PERS	1,191
State Tax	34
School Tax	47
Miscellaneous Expense	4,204
Squad Expense	2,584
Phone Expense	988
Bureau of Workers Compensation	200
	<hr/>
Total Cash Disbursements	55,849
	<hr/>
Total Cash Receipts Over Cash Disbursements	3,814
	<hr/>
Fund Cash Balance, January 1	49,064
	<hr/>
Fund Cash Balance, December 31	<u><u>\$52,878</u></u>

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

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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

Cash Receipts	
Taxes	\$29,099
Intergovernmental Revenue	3,156
Charges for Services	6,344
Interest	1,780
Contracts	973
Grants and Loans	<u>2,346</u>
 Total Cash Receipts	 43,698
Cash Disbursements	
Gasoline	715
Vehicles-Equipment Repair	1,582
Insurance	4,518
Radio Expense	2,910
Equipment Purchase Expense	15,678
Medical Supplies	2,934
Office Supplies	2,434
EMT Training	4,084
Clerk Salary	3,279
PERS	730
State Tax	24
School Tax	61
Miscellaneous	339
Squad Expense	4,174
Telephone Expense	1,673
Bureau Workers Comp	<u>260</u>
 Total Cash Disbursements	 <u>45,395</u>
 Total Cash Receipts (Under) Cash Disbursements	 (1,697)
 Other Financing Sources - Sale of Assets	 <u>3,000</u>
 Total Cash Receipts and Other Sources Over Cash Disbursements	 1,303
 Fund Cash Balance, January 1	 <u>47,761</u>
 Fund Cash Balance, December 31	 <u><u>\$49,064</u></u>

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

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Jackson-Forest Ambulance District, Hardin County, (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 who are from the participating subdivisions, Jackson Township, the Village of Forest, and the Village of Patterson. The District provides ambulance 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 Investments

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit and savings accounts are valued at cost.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its fund into the following type:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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. The District did not use the encumbrance method of accounting.

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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand deposits	\$26,514	\$28,233
Certificates of deposit	19,435	14,000
Savings account	<u>6,929</u>	<u>6,831</u>
Total deposits	<u>\$52,878</u>	<u>\$49,064</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN 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 December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$43,411	\$59,663	\$16,252

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$61,450	\$55,849	\$5,601

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$43,411	\$46,698	\$3,287

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$64,950	\$45,395	\$19,555

During 2001 and 2000, the District had expenditures which exceeded appropriations at the legal level of control which violated Ohio Rev. Code Section 5705.41(B). The negative variances at year end were as follows:

2001

Purchase Equipment / Loans: \$12,555;
 Medical Supplies: \$1,552;
 Salary – Clerk/Squad Coordinator: \$1,850; and
 Employee Benefits (PERS, State Tax, School Tax): \$321

2000

Equipment Purchase Expense: \$15,678;
 Office Supplies: \$434; and
 Squad Expense: \$174

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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

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.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Commercial Loan	\$38,971	5.57%

The District borrowed money for the purchase of a new ambulance. The loan was issued May 12, 1999 in the amount of \$66,750 and has a maturity date of March 12, 2006.

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

<u>Year Ending December 31:</u>	<u>Commercial Loan</u>
2002	\$11,573
2003	11,573
2004	11,573
2005	<u>9,131</u>
Total	<u>\$43,851</u>

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

A. Commercial Insurance

The Jackson-Forest Ambulance District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Portable equipment

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

Jackson-Forest Ambulance District
Hardin County
1699 Township Road 195
Forest, Ohio 45843

To the Board of Trustees:

We have audited the financial statements of the Jackson-Forest Ambulance District, Hardin County, (the "District"), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 20, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-40233-01 and 2001-40233-02. We also noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated May 20, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated May 20, 2002.

Jackson-Forest Ambulance District
Hardin County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of 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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 20, 2002

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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

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

FINDING NUMBER 2001-40233-01

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. The District had actual expenditures which exceeded appropriations at the legal level of control. The variances at December 31, 2001 and 2000 were:

YEAR	FUNCTION	APPROPRIATIONS	EXPENDITURES	VARIANCE
2001	Purchase Equipment/Loans	\$0	\$12,555	(\$12,555)
	Medical Supplies	10,000	11,552	(1,552)
	Salary – Clerk/Squad Coordinator	3,000	4,849	(1,849)
	Employee Benefits (PERS, State Tax, School Tax)	950	1,272	(1,272)
2000	Equipment Purchase Expense	0	15,678	(15,678)
	Office Supplies	2,000	2,434	(434)
	Squad Expense	4,000	4,174	(174)

The District should develop procedures to monitor the budgeted appropriations versus actual expenditures to help prevent noncompliance and deficit fund balances.

FINDING NUMBER 2001-40233-02

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D) states that no order or contract involving the expenditure of money is to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The following exception to this basic requirement is provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$1000 for the District, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority. One hundred percent of the District's transactions were not certified by the Clerk prior to making orders for the expenditure of District funds. In addition, neither of the two exceptions noted above were utilized for these transactions. Procedures should be implemented not only to help ensure compliance with this requirement, but to help prevent the unauthorized obligation of District funds.

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 and 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-40233-001	ORC 5705.36 – Request for amended certificate of estimated resources.	Yes	
1999-40233-002	ORC 5705.41(B) Actual expenditures exceed appropriations at the legal level of control	No	Not corrected. Repeated in this report as a finding.
1999-40233-003	ORC 5705.41(D)	No	Not corrected. Repeated in this report as a finding.
1999-40233-004	26 C.F.R. Section 1.6041-2(a) Reporting of wages on IRS Form W-2	Yes	



STATE OF OHIO
OFFICE OF THE AUDITOR

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JACKSON-FOREST AMBULANCE DISTRICT

HARDIN 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
JUNE 25, 2002**