



**Auditor of State
Betty Montgomery**

JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – General Fund – For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – General Fund – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings.....	12

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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 the Jackson Forest Ambulance District (the "District") as of and for the years ended December 31, 2003 and 2002. 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 balances and reserves for encumbrances of the District, as of December 31, 2003 and 2002, 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 July 22, 2004 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 management, the Board of Trustees and other officials authorized to receive this report under § 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 22, 2004

**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, 2003**

Cash Receipts:

Property Tax Levy	\$30,563
Intergovernmental	4,168
Grant Income	17,814
Ambulance Runs	4,102
Ambulance Contracts	1,227
Interest Income	862
Miscellaneous Income	1,483
	1,483
 Total Cash Receipts	 60,219

Cash Disbursements:

Current:	
Vehicle Repair, Expense, and Gasoline	2,567
Insurance	5,200
Equipment Loan	11,573
Radio Equipment and Equipment Repair	3,997
Medical Supplies	17,002
Office Supplies and Phone	1,606
EMT Training	11,414
Salary - Clerk(net)	2,652
Salary - Squad Coordinator (net)	2,120
OPERS	1,191
State Tax and School Tax Withholding	91
Medicare Withholdings (employer and employee)	283
Squad Expense	2,452
Bureau of Workers Compensation	621
Auditor Treasurer Fees	1,003
	1,003
 Total Cash Disbursements	 63,772

Total Cash Receipts (Under) Cash Disbursements	(3,553)
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Fund Cash Balance, January 1	55,772
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Fund Cash Balance, December 31	\$52,219
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Reserve For Encumbrances	\$2,437
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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, 2002**

Cash Receipts:

Property Tax Levy	\$29,850
Intergovernmental	4,490
Grant Income	8,821
Ambulance Runs	7,581
Ambulance Contracts	1,227
Interest Income	1,079
Miscellaneous Income	1,154
	54,202
Total Cash Receipts	54,202

Cash Disbursements:

Current:	
Vehicle Repair, Expense, and Gasoline	4,768
Insurance	4,694
Equipment Loan	11,573
Radio Equipment and Equipment Repair	6,710
Medical Supplies	6,248
Office Supplies and Phone	3,625
EMT Training	3,605
Salary - Clerk(net)	2,652
Salary - Squad Coordinator (net)	2,120
OPERS	1,191
State Tax and School Tax Withholding	91
Squad Expense	2,871
Bureau of Workers Compensation	207
Auditor Treasurer Fees	953
	51,308
Total Cash Disbursements	51,308

Total Cash Receipts Over Cash Disbursements	2,894
Fund Cash Balance, January 1	52,878
Fund Cash Balance, December 31	\$55,772
Reserve For Encumbrances	\$451

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, 2003 AND 2002**

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 from the participating Hardin County subdivisions of 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:

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.

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 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.

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(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. The District did not encumber all commitments required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2003 and 2002 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 investments 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:

	2003	2002
Demand deposits	\$19,204	\$28,566
Savings Account	12,021	6,981
Certificates of deposit	20,994	20,225
Total deposits	\$52,219	\$55,772

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,106	\$60,219	\$9,113

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$72,900	\$66,209	\$6,691

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$48,004	\$54,202	\$6,198

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$65,500	\$51,759	\$13,741

The District had expenditures that exceeded appropriations at the legal level which violated the requirements of Ohio Rev. Code Section 5705.41(B).

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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, 2003 was as follows:

Commercial Loan	<u>Principal</u>	<u>Interest Rate</u>
	\$19,415	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. The District has made one debt payment in advance which may result in the final payment being made in 2005.

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. DEBT (Continued)

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

Year Ending December 31	Commercial Loan
2004	\$11,573
2005	9,132
Total	<u>\$20,705</u>

6. RETIREMENT SYSTEMS

The District's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS 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. For 2003 and 2002, the District's OPERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The District has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Commercial Insurance

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

- General liability and crime coverage;
- Vehicles; and
- Portable equipment and management liability



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT 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, 2003 and 2002, and have issued our report thereon dated July 22, 2004. 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 the 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 2003-001 and 2003-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated July 22, 2004.

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. 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 July 22, 2004.

This report is intended solely for the information and use of the 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 22, 2004

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-001

Noncompliance

Ohio Rev. Code Section 117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. Also, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

The District did not file its 2003 annual report and the 2002 report was not filed until October 30, 2003.

The District's Trustees should implement monitoring procedures to help ensure that the requirements of this Ohio Revised Code Section have been met.

FINDING NUMBER 2003-002

Noncompliance

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, 2003 and 2002 were:

<u>Year</u>	<u>Function</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
2003	Equipment Loan	\$0	\$11,573	(\$11,573)
	Medical Supplies	\$15,000	\$17,002	(\$2,002)
	EMT Training	\$11,000	\$11,415	(\$415)
	Employee Benefits (OPERS, State Tax, School Tax)	\$1,000	\$1,282	(\$282)
	Auditor/Treasurer Fees	\$0	\$1,003	(\$1,003)
	Medicare	\$0	\$283	(\$283)
2002	Equipment Loan	\$0	\$11,573	(\$11,573)
	Radio Equipment and Repair	\$6,000	\$6,710	(\$710)
	Employee Benefits (PERS, State Tax, School Tax)	\$900	\$1,282	(\$382)

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

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 and 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-40233-001	ORC Sec. 5705.41(B) – Expenditures exceed appropriations	No	Repeated as finding 2003-002
2001-40233-002	ORC Sec. 5705.41(D) – Prior certification of expenditures	Yes	



**Auditor of State
Betty Montgomery**

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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
AUGUST 17, 2004**