



**JACKSON - FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



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 TR 195
Forest, Ohio 45843

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson - Forest Ambulance District, Hardin County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 of the District, as of December 31, 1999 and 1998, 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 18, 2000 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.

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

July 18, 2000

**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, 1999**

Cash Receipts:	
Local Taxes	\$29,392
Intergovernmental	3,456
Charges for Services	9,193
Earnings on Investments	<u>1,143</u>
 Total Cash Receipts	 <u>43,184</u>
Cash Disbursements:	
Current:	
General Government	33,111
Debt Service:	
Redemption of Principal	9,032
Interest	2,540
Capital Outlay	<u>92,472</u>
 Total Disbursements	 <u>137,155</u>
 Total Receipts Over/(Under) Disbursements	 <u>(93,971)</u>
Other Financing Receipts:	
Loan Proceeds	<u>66,750</u>
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	 <u>(27,221)</u>
 Fund Cash Balance January 1	 <u>74,982</u>
 Fund Cash Balance, December 31	 <u><u>\$47,761</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, 1998

Cash Receipts:	
Local Taxes	\$28,594
Intergovernmental	4,243
Charges for Services	8,724
Earnings on Investments	1,462
Miscellaneous	<u>1,916</u>
Total Cash Receipts	<u>44,939</u>
Cash Disbursements:	
Current:	
General Government	23,302
Total Receipts Over/(Under) Disbursements	<u>21,637</u>
Fund Cash Balance January 1	<u>53,345</u>
Fund Cash Balance, December 31	<u><u>\$74,982</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, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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 and the Village of Forest. The District provides rescue 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

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

**JACKSON - FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. The District had no encumbrances outstanding at December 31, 1999 or 1998. The District did not use the encumbrance method of accounting.

A summary of 1999 and 1998 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:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 30,129	\$ 57,517
Savings Account	9,632	9,465
Certificates of deposit	8,000	8,000
Total deposits	\$47,761	\$74,982

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 47,957	\$ 109,934	\$ 61,977

**JACKSON - FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 50,450	\$ 137,155	\$ (86,705)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 46,446	\$ 44,939	\$ 1,507

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 50,850	\$ 23,302	\$ 27,548

In 1999 the District had actual revenues greater than estimated revenues which violates the requirements of Ohio Rev. Code Section 5705.36, and these additional receipts were expended and not appropriated.

In 1999 the Village had expenditures greater than appropriations which violates Ohio Rev. Code Section 5705.41(B).

The Village did not certify the availability of funds prior to the commitment being incurred, as required by Ohio Revised Code Section 5705.41(D).

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.

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.

**JACKSON - FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Loan	\$ 55,178	5.57%

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

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

Year ending December 31:	Loan
2000	5,194
2001	10,388
2002	10,388
2003	10,388
2004	10,388
2005-2006	15,583
Total	\$ 62,329

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. PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- General liability
- Vehicles
- 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 TR 195
Forest, Ohio 45843

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson - Forest Ambulance District, Hardin County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 18, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 1999-40233-001 through 004. We also noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated July 18, 2000.

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 18, 2000.

This report is intended 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

July 18, 2000

**JACKSON - FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-40233-001

Noncompliance Citation

Ohio Rev. Code Section 5705.36 allows subdivisions to request increased amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. In 1999 the District had revenues greater than the amount reported in the official certificate of estimated resources.

Estimated vs actual revenues should be monitored by the District to help assure compliance with this requirement. This analysis should also include a review of actual expenditures vs. appropriations as approved by the Board.

FINDING NUMBER 1999-40233-002

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. In 1999 the District had expenditures greater than appropriations in the following line items: EMT Training(\$1,132), Telephone Expense(\$765), Debt Service Principal(\$9,032), Debt Service Interest(\$2,540), and Capital Outlay(\$92,472).

Budgeted vs actual expenditures should be monitored by the District to help assure compliance with this requirement.

FINDING NUMBER 1999-40233-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are 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 exceptions to this basic requirement are 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 \$100 for counties, or less than \$1,000 for other political subdivisions, 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.

District expenditures did not have the required certification of the Clerk. The Clerk should attach the required certification to all expenditures.

**JACKSON - FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)**

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

FINDING NUMBER 1999-40233-004

Noncompliance Citation

26 C.F.R. Section 1.6041-2(a) states that wages, as defined in section 3401, paid to an employee are required to be reported on Form W-2. The W-2 issued to the Clerk did not accurately report gross wages. The Clerk received one extra pay in 1998 which was offset by one less pay in 1999, however, her W-2 reflected the same wages for both years. The Clerk's W-2 also reflected local wages being withheld but this withholding was not supported by the payroll records. In addition, the federal gross wages reported on the W-2 did not reflect contributions to PERS which results in an overstatement of federal taxable wages.

The District should review each W-2 to make sure they accurately reflect employee wages and withholdings.

JACKSON - FOREST AMBULANCE DISTRICT
HARDIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 1999 AND 1998

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain:</u>
1997-40233-001	ORC 5705.41(D) - Prior Certification of Expenditures	No	Not corrected. Repeated in this report



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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
SEPTEMBER 12, 2000**