



Mary Taylor, CPA
Auditor of State

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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Mary Taylor, CPA
Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 23, 2008

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Mary Taylor, CPA

Auditor of State

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, Hardin County, (the District), as of and for the years ended December 31, 2007 and 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Jackson Forest Ambulance District, Hardin County, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

September 23, 2008

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

Cash Receipts:

Property Taxes	\$30,188
Intergovernmental	5,410
Charges for Services (Great Lake Billing)	36,048
Ambulance Contracts	262
Equipment Income	1,450
Grant Income	8,500
Interest	3,966
Miscellaneous	560
Total Cash Receipts	86,384

Cash Disbursements:

Current:

Automobile Expense	9,118
EMT Training	6,440
Equipment Repair	1,277
Great Lakes Billing	3,525
Legal Notices	131
Medical	5,700
Office Expense	3,020
Auditor/Treasurer Fees	875
Employer OPERS	1,468
Payroll Expense	11,881
Radio Expense	2,090
Run Overpayments	585
Squad Expense	3,654
Workers Compensaton	1,425
Miscellaneous	1,720
Total Cash Disbursements	52,909

Total Receipts Over Disbursements	33,475
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Fund Cash Balance, January 1	80,621
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Fund Cash Balance, December 31	\$114,096
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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
CHANGE IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

Cash Receipts:

Property Taxes	\$30,329
Intergovernmental	4,664
Charges for Services (Great Lake Billing)	52,345
Ambulance Contracts	1,227
Grant Income	5,200
Interest	1,939
Miscellaneous	3,378
Total Cash Receipts	<u>99,082</u>

Cash Disbursements:

Current:

Automobile Expense	11,013
EMT Training	4,180
Great Lakes Billing	5,061
Legal Notices	142
Medical	3,835
Office Expense	2,404
Auditor/Treasurer Fees	875
Employer OPERS	740
Payroll Expense	5,400
Radio Expense	1,784
Squad Expense	5,853
State Auditing	3,366
Payroll Taxes	201
Workers Compensaton	1,175
Miscellaneous	91
Debt Service:	
Principal	26,611
Interest	977
Total Cash Disbursements	<u>73,708</u>

Total Receipts Over Disbursements	25,374
Fund Cash Balance, January 1	<u>55,247</u>
Fund Cash Balance, December 31	<u><u>\$80,621</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, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jackson Forest Ambulance District, Hardin County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Jackson Township, the Village of Forest, and the Village of Patterson, in Hardin County. The District provides ambulance services within the District and by contract to areas outside the District.

The Jackson Forest Volunteer EMS Association is a not-for-profit organization. The District is not financially accountable for the organization, nor does the District approve the budget or the issuance of debt of the organization. Therefore, this organization has been excluded from the reporting entity of the District.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The District maintained all money in deposit accounts.

The District values certificates of deposit 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 reports 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.

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

2. CASH

The District maintains all cash in demand deposits and certificates of deposit. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2007	2006
Demand deposits	\$62,531	\$51,281
Certificates of deposit	51,565	29,340
Total deposits	\$114,096	\$80,621

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$68,450	\$86,384	\$17,934

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$94,100	\$52,909	\$41,191

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$67,142	\$99,082	\$31,940

2066 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$89,900	\$73,708	\$16,192

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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 Township.

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 Township.

5. DEBT

On July 1, 2005, the District entered into a debt agreement, in the amount of \$38,495 to purchase a new ambulance. The original maturity was July 25, 2012. The District paid off this loan in 2006.

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. RETIREMENT SYSTEM

The District's officials and employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5 and 9%, respectively, of their gross salaries and the District contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, 2007 and 2006, and have issued our report thereon dated September 23, 2008, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control Over Financial Reporting
(Continued)**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe the significant deficiency described above as finding number 2007-001 is also a material weakness.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated September 23, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the District'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, providing an opinion 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 that we must report under *Government Auditing Standards*.

We did note a certain compliance or other matter that we reported to the District's management in a separate letter dated September 23, 2008.

We intend this report solely for the information and use of the management and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

September 23, 2008

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Material Weakness

Format and Activity Presented in the Annual Financial Statements

The annual financial statements of the District should be presented in a manner that is consistent with the presentation used by governmental entities. In addition, the financial statements should be accurate, properly classified, and complete. The District's annual financial statements did not include the beginning 2006 and 2007 General Fund balances, in the amount of \$55,247 and \$80,261, respectively, or the ending 2006 and 2007 General Fund balances in the amount of \$80,261 and \$114,096, respectively. In 2006, financial statement errors in the amount of \$51,977 were identified as a result of recording the purchase of a certificate of deposit as financial statement activity. Other errors identified included the failure to agree the bank balance to the book balance, to correctly classify homestead and rollback and other reimbursement receipts as intergovernmental revenue, to record interest income, to record property taxes at the gross amount and to record the related auditor and treasurer fees as a disbursement, and to allocate a debt payment between principal and interest. In 2007, financial statement misclassification errors in the amount of \$13,158 were identified as a result of ambulance run revenue being recorded as miscellaneous revenue. Other errors identified included the failure to agree the bank balance to the book balance, to record interest income, to record property tax receipts at the gross amount and to record the related auditor and treasurer fees as a disbursement, and to record manufactured home tax receipts as property tax receipts.

The accompanying financial statements have been adjusted to properly reflect the financial activity and balances of the District.

The failure to prepare financial statements that are consistent with the presentation used by governmental entities, that are accurate, classified correctly, and complete, not only inhibits the user's ability to fully understand the results of operations but may also result in material financial statement reporting errors.

The District should utilize governmental accounting resources such as those provided on the Auditor of State website when preparing annual financial statements. To help detect financial reporting errors, the Clerk should provide the Board with detailed budgeted versus actual revenue and expenditure reports, fund balance reports, and monthly bank to book reconciliations that present the detail of all reconciling items. In addition to reviewing and approving the reports and reconciliations, the Board should periodically perform a detailed review of the financial reports and bank to book reconciliations to help identify errors and unexplained variances. Evidence of the review and approval of financial reports along with any additional review procedures should be documented in the minutes and/or on the financial reports.

OFFICIALS' RESPONSE:

Officials did not respond to the finding above.

**JACKSON FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Accuracy of Annual Financial Statements	No	Repeated as Finding 2007-001
2005-002	Review of Budget versus Actual Reports	No	Included in Finding 2007-001
2005-003	Monthly Bank to Reconciliations	No	Included in Finding 2007-001



Mary Taylor, CPA
Auditor of State

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
NOVEMBER 6, 2008**