



Mary Taylor, CPA
Auditor of State

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance – General Fund - For the Year Ended December 31, 2009.....	5
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance - General Fund - For the Year Ended December 31, 2008.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13
Schedule of Prior Findings.....	14

This page intentionally left blank.



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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 22, 2010

This page intentionally left blank.



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, 2009 and 2008. 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.

GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. 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 Districts 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, 2009 and 2008 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, 2009 and 2008, 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, 2009 and 2008, 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 June 22, 2010, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 22, 2010

**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, 2009**

Cash Receipts:

Property Taxes	\$25,221
Intergovernmental	8,034
Charges for Services (Great Lake Billings)	36,041
Ambulance Runs (JFS)	2,366
Ambulance Contracts	1,654
Equipment Income	196
Grant Income	5,750
Interest	2,434
Miscellaneous	4,045
Total Cash Receipts	85,741

Cash Disbursements:

Current:

Automobile Expense	14,145
Travel Expense	350
EMT Training	5,208
Equipment Repair	2,653
Great Lake Billings	2,851
Run Overpayments	1,378
Medical	9,382
Office Expense	12,057
Auditor/Treasurer Fees	1,258
Employer OPERS	1,866
Payroll Expense	14,118
Radio Expense	1,481
Squad Expense	9,974
Workers Compensation	1,287
Miscellaneous	3,363
Total Cash Disbursements	81,371

Total Receipts Over Disbursements	4,370
Fund Cash Balance, January 1	125,356
Fund Cash Balance, December 31	\$129,726

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, 2008**

Cash Receipts:

Property Taxes	\$26,491
Intergovernmental	5,306
Charges for Services (Great Lake Billings)	36,697
Ambulance Runs (JFS)	3,419
Ambulance Contracts	1,707
Grant Income	1,541
Interest	3,677
Miscellaneous	3,081
Total Cash Receipts	<u>81,919</u>

Cash Disbursements:

Current:

Automobile Expense	13,344
EMT Training	11,881
Equipment Repair	1,287
Great Lake Billings	3,912
Legal Notices	6
Medical	7,539
Office Expense	3,402
Auditor/Treasurer Fees	2,846
Employer OPERS	1,527
Payroll Expense	10,909
Radio Expense	4,034
Squad Expense	6,564
Workers Compensation	1,684
Miscellaneous	1,724
Total Cash Disbursements	<u>70,659</u>

Total Receipts Over Disbursements 11,260

Fund Cash Balance, January 1 114,096

Fund Cash Balance, December 31 \$125,356

**JACKSON-FOREST VALLEY AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 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. Deposits 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.

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 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 VALLEY AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(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 re-appropriated.

A summary of 2009 and 2008 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. DEPOSITS

The District maintains all money in deposits. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2009	2008
Demand deposits	\$ 27,568	\$ 25,577
Certificates of deposit	102,160	99,778
Total deposits	\$129,728	\$125,355

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution to the District.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$59,925	\$85,741	\$25,816

**JACKSON-FOREST VALLEY AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$120,000	\$81,371	\$38,629

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$68,450	\$81,919	\$13,469

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$85,100	\$70,659	\$14,441

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. RETIREMENT SYSTEM

The District's 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 this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed participants contributed 10% of their gross salaries and the District contributed an amount equaling 14%, of participant's gross salaries. The District has paid all contributions required through December 31, 2009.

**JACKSON-FOREST VALLEY AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive 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
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, 2009 and 2008, and have issued our report thereon dated June 22, 2010 wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 in the accompanying schedule of findings to be a material weakness.

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 instance of noncompliance or other matter that we must report *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 22, 2010.

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

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

Mary Taylor, CPA
Auditor of State

June 22, 2010

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Material Weakness

Accuracy of Financial Reporting and Reconciliations

The District should have controls in place to help assure that the financial activity is correctly classified and complete in the accounting records and financial statements to assist in the effective management and reporting of financial resources. In addition, controls should exist to help assure that the fund balances agree to the reconciled bank balance and that the accounting records reflect a fund balance throughout the year. The District presented fund balances on the annual financial statements but failed to maintain fund balances in the accounting records during the year. In addition, the following reporting errors were identified in the accounting records and financial statements:

2009

- Interest revenue in the amount of \$2,385 was not recorded; and
- Electric and gas reimbursement revenue, personal property tax reimbursement revenue, homestead and rollback revenue, and \$10,000 exemption revenue in the amount of \$4,088 was classified as tax revenue instead of intergovernmental revenue.
- The financial statement did not foot. As a result the ending fund balance as presented was overstated by \$6,744.
- In addition an adjustment of \$212 had to be recorded to reconcile the bank balances to the financial statement.

2008

- Interest revenue in the amount of \$3,219 was not recorded; and
- Electric and gas reimbursement revenue, personal property tax reimbursement revenue, homestead and rollback revenue, and \$10,000 exemption revenue in the amount of \$3,303 was classified as tax revenue instead of intergovernmental revenue.
- In addition an adjustment of \$536 had to be recorded to reconcile the bank balances to the financial statement.

The failure to maintain accounting records that present a fund balance throughout the year, to maintain accounting records that correctly classify financial activity, which are complete, and which reconcile to the bank balances may impact the user's understanding of the financial operations, the District's ability to make sound financial decisions, the District's ability to comply with budgetary laws, and may result in the material misstatement of the financial statements. In addition, errors and/or irregularities may not be detected in a timely manner by the Trustees. The accounting records and accompanying financial statements have been adjusted to correctly reflect this financial activity and fund balances.

The District should utilize accounting resources such as those available on the Auditor of State website, along with implementing additional control procedures to help assure that all revenue is recorded and correctly classified and that the bank to book balances reconcile. The Trustees should periodically review budget versus actual revenue and expenditures reports. The review of these reports will assist in the detection of unusual trends which may be an indication of recording errors, the failure to record financial transactions, or other errors and/or irregularities. In addition, the District should maintain the accounting records in a manner that presents a fund balance throughout the year and not just at year-end when the financial statements are prepared.

OFFICIALS RESPONSE: We did not receive a response from Officials to the finding reported above.

JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY

SCHEDULE OF PRIOR FINDINGS
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected: Significantly Different Corrective Action Taken: or Finding No Longer Valid: <i>Explain</i>
2007-001	Formant and Activity Presented in the Annual Financial Statements	No	Repeated as Finding 2009-001



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
JULY 13, 2010