

JACKSON-FOREST AMBULANCE DISTRICT

HARDIN COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2015 and 2014





Dave Yost • Auditor of State

Board of Trustees
Jackson-Forest Ambulance District
1699 Township Road 195
Forest, Ohio 45843

We have reviewed the *Independent Auditor's Report* of the Jackson-Forest Ambulance District, Hardin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Jackson-Forest Ambulance District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 30, 2016

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**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Jackson-Forest Ambulance District, Hardin County, (the District) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance of the Jackson-Forest Ambulance District, Hardin County as of December 31, 2015 and 2014, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 24, 2016

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Cash Receipts

Property and Other Local Taxes	\$ 26,958
Charges for Services	56,870
Intergovernmental	9,869
Earnings on Investment	40
Miscellaneous	<u>6,075</u>

Total Cash Receipts 99,812

Cash Disbursements

Current Disbursements:

Security of Persons and Property:

Salaries	28,812
Fringe Benefits	5,738
Materials and Supplies	79,781
Equipment	131
Contractual Services	<u>30,963</u>

Total Cash Disbursements 145,425

Excess of Receipts Over (Under) Disbursements (45,613)

Other Financing Receipts (Disbursements)

Sale of Capital Assets 15,725

Net Change in Fund Cash Balance (29,888)

Fund Cash Balance, January 1 140,885

Fund Cash Balance, December 31

Unassigned 110,997

Fund Cash Balance, December 31 \$ 110,997

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

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Cash Receipts

Property and Other Local Taxes	\$ 28,021
Charges for Services	42,333
Intergovernmental	10,172
Earnings on Investment	87
Miscellaneous	<u>6,706</u>

Total Cash Receipts 87,319

Cash Disbursements

Current Disbursements:

Security of Persons and Property:

Salaries	20,016
Fringe Benefits	2,311
Materials and Supplies	57,948
Equipment	630
Contractual Services	18,663
Capital Outlay	<u>23,000</u>

Total Cash Disbursements 122,568

Excess of Receipts Over (Under) Disbursements (35,249)

Fund Cash Balance, January 1 176,134

Fund Cash Balance, December 31

Unassigned 140,885

Fund Cash Balance, December 31 \$ 140,885

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, 2015 AND 2014**

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. 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. Accordingly, 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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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 pooled all money into certificates of deposit and demand deposits.

D. Fund Accounting

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

1. General Fund

The General Fund reports 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, 2015 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio law.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies (continued)

F. Fund Balance (continued)

3. Committed

The Board of Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board of Trustees or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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. Equity in Pooled Deposits

The District maintains a deposit and investments pool used by the general fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2015	2014
Demand deposits	\$ 23,264	\$ 25,818
Certificates of deposit	82,452	104,787
Savings account	5,281	10,280
Total deposits	\$ 110,997	\$ 140,885

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

2. Equity in Pooled Deposits (continued)

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, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$115,537	\$115,537

2015 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$145,717	\$145,425	\$292

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$79,722	\$87,319	\$7,597

2014 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$165,700	\$122,568	\$43,132

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board 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 District.

Hardin 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, 2015 AND 2014
(Continued)**

5. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2015.

6. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Settled claims have not exceeded coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

7. Contingent Liabilities

Management believes there are no pending claims or lawsuits.

8. Compliance

Contrary to Ohio Revised Code Section 5705.36, the District did not obtain a certificate of estimated resources for 2015. As a result, appropriations exceeded certified resources for 2015, contrary to Ohio Revised Code Section 5705.39.

Contrary to Ohio Revised Code Section 5705.41(D), the District did not certify that expenditures were lawfully appropriated and free from any previous encumbrance for any expenditures tested for 2015 nor 2014.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Jackson-Forest Ambulance District, Hardin County (the District) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated June 24, 2016, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-002 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, opining 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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2015-001 and 2015-003.

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 24, 2016.

Entity's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
June 24, 2016

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2015 and 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number: 2015-001 – Noncompliance

Fiscal Officer’s Certification of Expenditures

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. “Then and Now Certificates” – If the fiscal officer can certify that both at the time that contract or order was made (“then”) and at the time that the fiscal officer was completing the certification (“now”), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for payment of the amount due. The District has thirty days from the receipt of the “then and now” certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution 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 District.

2. Blanket Certificates - Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of members of the legislative authority against any specific line item amount over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificates – The District may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The District did not make the proper certification of funds for any tested transactions during the audit period.

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS - continued
December 31, 2015 and 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued
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Finding Number: 2015-001 – Noncompliance (continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's expenditures exceeding budgetary spending limitations, we recommend that the District certify expenditures prior to incurring the liability. If purchase orders are not practical for a transaction, we recommend the District use "then and now" certificates for items under \$3,000. This will assist in keeping adequate controls over disbursements and encumbrances.

Management Response:

The Board does not use purchase orders. The Board approves all the bills for the expenses.

Finding Number: 2015-002 – Material Weakness

Format, Activity, and Reconciliation of 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. Cash basis financial statements should reflect all cash transactions and not include revenue and expenditure accruals. In addition, the financial statements should present beginning and ending fund balances and the ending fund balance should reconcile to the bank/investment balances.

Although the District's annual financial statements included the beginning and ending 2015 and 2014 General Fund balances, the financial statements did not reconcile to those totals and did not include the activity in the District's savings account and investments. This resulted in the 2015 and 2014 ending fund balances being overstated by \$22,887 and understated by (\$915), respectively. The accompanying financial statements and the District's records have been adjusted to properly reflect the balances and/or financial activity of the District.

We also noted the District classified its expenses at the function level. Expenses should be classified at the object level consistent with the Auditor of State small government shell, which requires the ambulance district to report disbursements at the function/object level. Expenses were reclassified in accordance with this shell.

The failure to prepare cash basis financial statements that are consistent with the presentation used by governmental entities, that only reflect cash activity, and that reconcile to the bank/investment balances, not only inhibits the user's ability to fully understand the results of operations but may also result in material financial statement reporting errors and the inability to detect errors and/or irregularities.

The District should utilize governmental accounting resources such as those provided on the Auditor of State website when preparing annual financial statements. A review should be performed of the financial statements to help assure that only cash activity is being presented, that the ending balances reconcile to the bank/investment balances, and that the beginning and ending fund balances are presented.

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS - continued
December 31, 2015 and 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued
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Finding Number: 2015-002 – Material Weakness – (continued)

Management Response:

Beginning the year 2016, Jackson Forest will adjust the accounting system to reflect the investments.

Finding Number: 2015-003 – Noncompliance

Certification of Available Resources

Ohio Revised Code Section 5705.36(A) requires on or about the first day of each fiscal year, the fiscal officers of each subdivision and other taxing units shall certify to the county fiscal officer the total amount from all sources available for expenditures from each fund in the tax budget along with unencumbered balances that existed at the end of the preceding year. In addition, this section allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenues to be collected will be greater or less than the amount in the official certificate of estimated resources.

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimated resources.

During 2015, the District did not certify the total amount from all sources available for expenditures until 2016, which resulted in appropriations exceeding estimated resources. Failure to certify total unencumbered fund balances from the preceding fiscal year and estimated revenues to the county fiscal office could cause the District to appropriate and subsequently spend more than is available.

We recommend the District file its certificate of the total amount from all sources available for expenditures from each fund, including the preceding year's unencumbered fund balance, to the county fiscal officer on or about the first day of each fiscal year and request amendments throughout the year as deemed necessary.

Management Response:

Management feels this was an isolated incident and will obtain proper certifications in the future.

**JACKSON-FOREST AMBULANCE DISTRICT
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-01	Certification of Expenditures	No	Repeated as 2015-001
2013-02	Accuracy of Financial Reporting and Reconciliations	No	Repeated as 2015-002
2013-03	Certification of Available Resources	No	Repeated as 2015-003



Dave Yost • 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
SEPTEMBER 13, 2016