

***JACKSON-FOREST AMBULANCE DISTRICT***

**HARDIN COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2011 and 2010**

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Jackson-Forest Ambulance District, Hardin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2011. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

December 17, 2012

**This page intentionally left blank.**

**JACKSON-FOREST AMBULANCE DISTRICT**  
**HARDIN COUNTY, OHIO**  
**Audit Report**  
**For the years ended December 31, 2011 and 2010**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Report of Independent Accountants	1-2
Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Years Ended December 31, 2011 and 2010	3-4
Notes to the Financial Statements	5-10
Independent Accountant's Report on Internal Control Over Financial Reporting and on Compliance and on Matters Required by <i>Government Auditing Standards</i>	11-12
Schedule of Findings	13-14
Schedule of Prior Audit Findings	15

**This page intentionally left blank.**

**REPORT OF INDEPENDENT ACCOUNTANTS**

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

To the District Trustees:

We have audited the accompanying financial statements of the Jackson-Forest Ambulance District, Hardin County, Ohio as of and for the years ended December 31, 2011 and 2010. 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 Jackson-Forest Ambulance District, Hardin County 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.

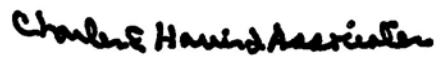
While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. 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, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Jackson-Forest Ambulance District, Hardin County as of December 31, 2011 and 2010, 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 combined fund cash balances as of December 31, 2011 and 2010 of the Jackson-Forest Ambulance District, Hardin County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1, during 2011 the Jackson-Forest Ambulance District, Hardin County adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2012, 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 "Charles E. Harris" followed by a stylized flourish.

*Charles E. Harris & Associates, Inc.*  
September 19, 2012



**JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b><u>Cash Receipts:</u></b>	
Property Taxes	\$ 27,158
Intergovernmental	13,234
Charges for Services	56,544
Ambulance Contracts	1,016
Equipment Income	8,611
Grant Income	200
Interest	1,814
Miscellaneous	3,481
	<hr/>
Total Cash Receipts	112,058
 <b><u>Cash Disbursements:</u></b>	
Automobile Expense	9,055
Property Taxes Collection Fees	734
EMT Training	2,346
Equipment Repair	375
Great Lakes Billing	5,949
Medical Supplies	13,513
Insurance	7,014
Auditor of State Fees	147
Employer OPERS	2,631
Payroll Expense	18,886
Radio Expense	1,636
Squad Expense	3,482
Office Expense	6,162
Workers Compensation	1,308
Miscellaneous	2,277
	<hr/>
Total Cash Disbursements	75,515
	<hr/>
Excess of Cash Receipts Over/(Under) Cash Disbursements	36,543
	<hr/>
Fund Cash Balance January 1, 2011	161,024
	<hr/>
Fund Cash Balance December 31, 2011 Unassigned	197,567
	<hr/>
Fund Cash Balance December 31, 2011	\$ 197,567
	<hr/> <hr/>

See accompanying Notes to the Financial Statements

**JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Cash Receipts:**

Property Taxes	\$	23,034
Intergovernmental		10,585
Charges for Services		60,084
Ambulance Contracts		4,855
Equipment Income		237
Grant Income		8,500
Interest		1,204
Miscellaneous		1,061

<b>Total Cash Receipts</b>		<b>109,560</b>
----------------------------	--	----------------

**Cash Disbursements:**

Automobile Expense		6,171
Property Taxes Collection Fees		686
EMT Training		10,099
Equipment Repair		2,199
Great Lakes Billing		7,077
Medical Supplies		5,798
Insurance		7,065
Auditor of State Fees		2,050
Employer OPERS		2,425
Payroll Expense		16,437
Radio Expense		3,005
Squad Expense		6,458
Office Expense		7,105
Workers Compensation		1,145
Miscellaneous		542

<b>Total Cash Disbursements</b>		<b>78,262</b>
---------------------------------	--	---------------

<b>Excess of Cash Receipts Over/(Under) Cash Disbursements</b>		<b>31,298</b>
--	--	---------------

<b>Fund Cash Balance January 1, 2010</b>		<b>129,726</b>
--	--	----------------

<b>Fund Cash Balance December 31, 2010</b>	<b>\$</b>	<b>161,024</b>
--	-----------	----------------

**See accompanying Notes to the Financial Statements**

**JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**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. BASIS OF ACCOUNTING**

The Jackson-Forest Ambulance District prepares its financial statements following 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 disbursements 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**

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.

**D. FUND ACCOUNTING**

The District maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restriction associated with each class of funds is as follows:

JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

D. **FUND ACCOUNTING** - (Continued)

**Governmental Fund Type:**

**General Fund:** The general operating fund of the District. It is used to account for all financial resources except those required by law or contract to be accounted for in a specific fund.

E. **BUDGETARY PROCESS**

A budget of estimated cash receipts and disbursements is prepared by the Fiscal Officer, approved by the District Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

1. **Estimated Resources**

The county auditor calculates the estimated revenues available to the District. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the District. The certificate is approved by the county budget commission and sent to the District Fiscal Officer by September 1.

Prior to December 31, the District must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of estimated resources stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Fiscal Officer sends the county auditor a certificate which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected revenue increases or the Fiscal Officer identifies decreases in revenue.

Budgeted receipts, as shown in Note 4, do not include the unencumbered fund balances as of January 1, 2011 and 2010. However, those fund balances are available for appropriation.

2. **Appropriations**

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

E. **BUDGETARY PROCESS** - (Continued)

3. **Encumbrances**

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of disbursements and encumbrances may not exceed appropriated totals at any level of budgetary control. The legal level of control is the object level.

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.

G. **FUND BALANCE**

For December 31, 2011, fund balance is divided into 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.

3. **Committed**

Trustees can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend 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.

JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

G. **FUND BALANCE** - (Continued)

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 District 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.

2. **CASH AND CASH EQUIVALENTS**

The District maintains a cash and investment pool used by general fund. The Ohio Revised Code prescribed allowable deposits and investments. The carrying amount of cash at December 31, 2011 and 2010 follows:

	<u>2011</u>	<u>2010</u>
Demand Deposits	\$ 90,549	\$ 55,783
Total Deposits	<u>90,549</u>	<u>55,783</u>
Investments:		
Certificates of Deposit	104,526	102,751
Savings Account	2,492	2,490
Total Investments	<u>107,018</u>	<u>105,241</u>
Total Deposits and Investments	<u>\$ 197,567</u>	<u>\$ 161,024</u>

**Deposits:** Deposits are either: (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by securities specifically pledged by the financial institution to the District or (3) collateralized by the financial institution’s public entity deposit pool.

**JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**3. PROPERTY TAX**

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real, public utility, and tangible personal property located in the District. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the Hardin County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation for the District was completed in 2010. The next revaluation is scheduled for 2013.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is usually due December 31, with the remainder payable June 20.

Taxes collected from tangible personal property (other than public utility) received during calendar year 2011 represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied April 1, 2010 on the values listed as of December 31, 2009. Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Hardin County Treasurer collects property taxes on behalf of the District. The Hardin County Auditor remits the collected taxes to the District. Tax settlements are made each March and August for real property taxes and each June and October for personal property.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2011 and 2010 is as follows:

<u>Fund Type</u>	<u>2011 Budgeted vs. Actual Receipts</u>		
	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$112,058	\$112,058

<u>Fund Type</u>	<u>2011 Budgeted vs. Actual Budgetary Basis Disbursements</u>		
	Total Appropriations	Budgetary Disbursements	Variance
General	\$146,100	\$75,515	\$70,585

**JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**4. BUDGETARY ACTIVITY (continued)**

<u>Fund Type</u>	<u>2010 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$69,047	\$109,560	\$40,513

<u>Fund Type</u>	<u>2010 Budgeted vs. Actual Budgetary Basis Disbursements</u>		
	<u>Total Appropriations</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$132,600	\$78,262	\$54,338

**5. DEFINED BENEFIT PENSION PLAN**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS), a state operated, cost sharing, multiple employer plans. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. OPERS members contributed 10% in 2010 and 2011 of their gross pay while the District contributed an amount equal to 14% of covered payroll for both years. The District paid all required contributions through 2011.

**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

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. SUBSEQUENT EVENTS/PENDING LITIGATION**

Management believes there are no pending claims or lawsuits.

**8. NONCOMPLIANCE**

Contrary to Ohio Revised Code 5705.36, the District did not obtain a certificate of estimated resources.



Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

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

---

**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, Ohio (the District) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated September 19, 2012, 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. Also, for 2011 we noted the District implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls 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 opinions 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 to be 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 2011-JFAD-01 described 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2011-JFAD-02.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees and others within the District. We intend it for no one other than these specified parties.

*Charles E. Harris and Associates*

***Charles E. Harris and Associates, Inc.***

September 19, 2012

**JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY**

**SCHEDULE OF FINDINGS  
December 31, 2011 and 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2011-JFAD-01 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:

**2010**

- Electric and gas reimbursement revenue, personal property tax reimbursement revenue, homestead and rollback revenue, and \$10,000 exemption revenue in the amount were 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 \$875.
- Property taxes collection fees were not recorded. The District recorded property taxes at net.
- Interest on certificates of deposit was not recorded.

**2011**

- Electric and gas reimbursement revenue, personal property tax reimbursement revenue, homestead and rollback revenue, and \$10,000 exemption revenue in the amount of were classified as tax revenue instead of intergovernmental revenue.
- The financial statement did not foot. As a result the ending fund balance as presented was understated by \$14,301.
- Property taxes collection fees were not recorded. The District recorded property taxes at net.
- Interest on certificates of deposit was not recorded.

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.

**JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY**

**SCHEDULE OF FINDINGS – (continued)  
December 31, 2011 and 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (continued)</b>
--

**FINDING NUMBER 2011-JFAD-01 Material Weakness (continued)**

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:**

Management is aware of the adjustments and bank reconciliations. Steps will be taken to ensure that transactions will be posted correctly and reconciliations will be done completely and traced to fund balance.

**FINDING NUMBER 2011-JFAD-02 Non-Compliance Citation**

Ohio Revised Code Section 5705.36 States that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year.

During 2011, the District failed to obtain an official certificate of estimated resources. This caused appropriations to exceed estimated resources in 2011.

We recommend that the District obtain a certificate of estimated resources on or about the first day of the year and amend as necessary.

**Officials' Response:**

Management submitted the Certificate of the Total Amount from all Sources Available for Expenditures, and Balances to the County Auditor for 2011. Management did not receive the Amended Official Certificate of Estimated Resources from the county auditor. Management will follow up with the county auditor to ensure that District has received the Amended Certificate of Estimate Resources within a timely manner.

**JACKSON-FOREST AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO  
For the Years Ended December 31, 2011 and 2010**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

<b>FINDING NUMBER</b>	<b>FUNDING SUMMARY</b>	<b>FULLY CORRECTED?</b>	<b>Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain</b>
<b>2009-001</b>	<b>Accuracy of Financial Reporting and Reconciliations</b>	<b>No</b>	<b>Repeated as Item 2011-JFAD-01</b>

**This page intentionally left blank.**



# 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  
DECEMBER 27, 2012