



**Auditor of State
Betty Montgomery**

**CARROLL DISTRICT BOARD OF HEALTH
CARROLL COUNTY**

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Auditor of State Betty Montgomery

REPORT OF INDEPENDENT ACCOUNTANTS

Carroll District Board of Health
Carroll County
PO Box 98
301 Moody Avenue SW
Carrollton, Ohio 44615

To the Board Members:

We have audited the accompanying financial statements of the Carroll District Board of Health, Carroll County (the District) as of and for the years ended December 31, 2002 and 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

March 19, 2003

CARROLL DISTRICT BOARD OF HEALTH
CARROLL COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	34,008	59,530	93,538
Intergovernmental Receipts		171,346	171,346
Fines, Licenses, and Permits	19,653	325,350	345,003
Miscellaneous	9,200	9,185	18,385
	<u>62,861</u>	<u>565,411</u>	<u>628,272</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	13,584	269,458	283,042
Supplies	2,127	53,443	55,570
Contract - Services		6,596	6,596
Contract - Repair		25,379	25,379
Equipment		2,817	2,817
Rentals	9,737	9,633	19,370
Fringe Benefits	4,467	93,263	97,730
Travel/Expenses	5,173	623	5,796
Compensation and Damages			0
Advertising/Printing	139	868	1,007
Remittance to State	2,063	10,349	12,412
Other	4,509	51,774	56,283
	<u>41,799</u>	<u>524,203</u>	<u>566,002</u>
Total Cash Disbursements			
	<u>21,062</u>	<u>41,208</u>	<u>62,270</u>
Total Receipts Over/(Under) Disbursements			
	<u>21,062</u>	<u>41,208</u>	<u>62,270</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		32,302	32,302
Advances-In	6,234		6,234
Transfers-Out	(23,843)	(8,459)	(32,302)
Advances-Out		(6,234)	(6,234)
	<u>(17,609)</u>	<u>17,609</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(17,609)</u>	<u>17,609</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,453	58,817	62,270
Fund Cash Balances, January 1	<u>16,571</u>	<u>100,733</u>	<u>117,304</u>
Fund Cash Balances, December 31	<u>\$20,024</u>	<u>\$159,550</u>	<u>\$179,574</u>
Reserves for Encumbrances, December 31	<u>\$8,100</u>	<u>\$90,145</u>	<u>\$98,245</u>

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

**CARROLL DISTRICT BOARD OF HEALTH
CARROLL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	11,444	136,365	147,809
Intergovernmental Receipts		210,124	210,124
Fines, Licenses, and Permits	17,722	240,283	258,005
Miscellaneous		2,000	2,000
		<u>2,000</u>	<u>2,000</u>
Total Cash Receipts	<u>29,166</u>	<u>588,772</u>	<u>617,938</u>
Cash Disbursements:			
Current:			
Salaries	11,048	284,455	295,503
Personal Services		19,357	19,357
Supplies	1,107	88,698	89,805
Contract - Services	1,934	17,715	19,649
Contract - Repairs		867	867
Equipment		5,153	5,153
Rentals	282	3,552	3,834
Fringe Benefits	1,763	78,175	79,938
Utilities		1,970	1,970
Maintenance		2,166	2,166
Travel/Expenses	3,784	1,061	4,845
Advertising/Printing	225	400	625
Liability Insurance		6,666	6,666
Remittance to State	2,524	7,660	10,184
Compensation and Damages	500	0	500
Other	5,571	34,737	40,308
		<u>34,737</u>	<u>40,308</u>
Total Cash Disbursements	<u>28,738</u>	<u>552,632</u>	<u>581,370</u>
Total Receipts Over/(Under) Disbursements	<u>428</u>	<u>36,140</u>	<u>36,568</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		1,623	1,623
Advances-In		6,233	6,233
Transfers-Out	(501)	(1,122)	(1,623)
Advances-Out	(6,233)		(6,233)
		<u>(1,122)</u>	<u>(1,623)</u>
Total Other Financing Receipts/(Disbursements)	<u>(6,734)</u>	<u>6,734</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,306)	42,874	36,568
Fund Cash Balances, January 1	<u>22,877</u>	<u>57,859</u>	<u>80,736</u>
Fund Cash Balances, December 31	<u>\$16,571</u>	<u>\$100,733</u>	<u>\$117,304</u>
Reserves for Encumbrances, December 31	<u>\$4,499</u>	<u>\$28,408</u>	<u>\$32,907</u>

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

**CARROLL DISTRICT BOARD OF HEALTH
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Carroll District Board of Health, Carroll County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under a five member body and a Health Commissioner.

The District is responsible for environmental services related to individual water systems, food service operations, trailer parks, and recreation areas for public use and nursing services. The District also has school health programs and communicable disease control programs.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

As required by Ohio Revised Code, the District's cash is held and invested by the Carroll County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool and are valued at the County Treasurer's reported carrying amount.

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 types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Nursing Fund – This fund receives subdivision tax money and fees to operate the nursing program within Carroll County.

**CARROLL DISTRICT BOARD OF HEALTH
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Child Family Health Services Fund – This fund receives grant money and fees to operate the program within Carroll County.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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.

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 2002 and 2001 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's basis of accounting.

**CARROLL DISTRICT BOARD OF HEALTH
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$69,095	\$62,861	(\$6,234)
Special Revenue	596,542	597,713	1,171
Total	\$665,637	\$660,574	(\$5,063)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$75,342	\$73,742	\$1,600
Special Revenue	635,016	622,807	12,209
Total	\$710,358	\$696,549	\$13,809

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$29,166	\$29,166	\$0
Special Revenue	574,059	590,395	16,336
Total	\$603,225	\$619,561	\$16,336

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$45,908	\$33,738	\$12,170
Special Revenue	608,999	582,162	26,837
Total	\$654,907	\$615,900	\$39,007

3. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in intergovernmental receipts in the financial statements.

**CARROLL DISTRICT BOARD OF HEALTH
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

4. RETIREMENT SYSTEMS

The District's full time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The District has paid all contributions required through December 31, 2002.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

The District also provides health insurance for full-time employees through a private carrier.



Auditor of State Betty Montgomery

REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Carroll District Board of Health
Carroll County
PO Box 98
301 Mood Avenue SW
Carrollton, Ohio 44615

To the Board Members:

We have audited the accompanying financial statements of the District Board of Health, Carroll County (the District) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 19, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated March 19, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Carroll District Board of Health
Carroll County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, management, and the Board, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

March 19, 2003

**CARROLL DISTRICT BOARD OF HEALTH
CARROLL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-61210-001	ORC 5705.41(D), failure to certify funds	No	Currently management letter comment



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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DISTRICT BOARD OF HEALTH

CARROLL 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 1, 2003**