



**MONTGOMERY COUNTY
COMBINED HEALTH DISTRICT**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MONTGOMERY COUNTY COMBINED HEATH DISTRICT
MONTGOMERY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Montgomery County Combined Health District
Reibold Building
117 South Main Street
Dayton, Ohio 45422

To the Board of Health:

We have audited the accompanying financial statement of the Montgomery County Combined Health District, (the District) as of and for the year ended December 31, 2000. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement 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 described 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 accounting principles generally accepted in the United states of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Montgomery County Combined Health District, as of December 31, 2000, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2001 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.

We performed our audit to form an opinion on the financial statement of the District taken as a whole. The schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. We subjected this information to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

Jim Petro
Auditor of State

September 28, 2001

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal Funds	\$3,920,353	\$667,750	\$4,588,103
State Funds	1,565,342	792,231	2,357,573
Levies	11,150,333		11,150,333
Charges for Services	4,139,458	431,178	4,570,636
Local Government Receipts	164,000		164,000
Licenses, Fees & Permits		39,810	39,810
Fines		50,445	50,445
Contractual Services	1,453,009		1,453,009
Other Receipts	365,620	76,378	441,998
Total Cash Receipts	<u>22,758,115</u>	<u>2,057,792</u>	<u>24,815,907</u>
Cash Disbursements:			
Salaries - Employees	13,769,025	2,030,636	15,799,661
Supplies	1,165,715	48,421	1,214,136
Equipment	729,318	151,679	880,997
Contracts	3,459,104	47,400	3,506,504
Rentals	418,142	1,859	420,001
Travel and Expenses	261,560	45,161	306,721
Advertising and Printing	60,977	1,428	62,405
Retirement & Benefits	1,402,871	225,325	1,628,196
Other Disbursements	1,639,933	179,795	1,819,728
Total Cash Disbursements	<u>22,906,645</u>	<u>2,731,704</u>	<u>25,638,349</u>
Receipts (Under) Disbursements	<u>(148,530)</u>	<u>(673,912)</u>	<u>(822,442)</u>
Other Financing Sources (Uses):			
Transfer In		265,414	265,414
Transfer Out	<u>(265,414)</u>		<u>(265,414)</u>
Total Other Financing Sources (Uses)	<u>(265,414)</u>	<u>265,414</u>	<u>0</u>
Receipts and Other Financing Sources (Under) Disbursements and Other Financing Uses	<u>(413,944)</u>	<u>(408,498)</u>	<u>(822,442)</u>
Fund Cash Balances at January 1, 2000	<u>13,827,216</u>	<u>1,800,557</u>	<u>15,627,773</u>
Fund Cash Balances at December 31, 2000	<u>\$13,413,272</u>	<u>\$1,392,059</u>	<u>\$14,805,331</u>
Reserves for Encumbrances, December 31, 2000	<u><u>\$1,865,107</u></u>	<u><u>\$117,548</u></u>	<u><u>\$1,982,655</u></u>

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

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**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Montgomery County Combined Health District (the District) operates pursuant to Section 3709.07 of the Ohio Revised Code. It is responsible for health services in all of Montgomery County, including cities and villages, with the City of Oakwood being the only exception. The District operates under the direction of a nine-member Board of Health. Five members of this Board are appointed by the General Health District Advisory Council. The District Advisory Council includes one member from the Montgomery County Board of Commissioners. The other four members are representatives from the four cities that complete the Health District. These four cities include: Huber Heights, Kettering, Miamisburg, and Vandalia. A Health Commissioner is appointed by the Board to supervise the activities of the District.

B. Basis of Accounting

Montgomery County (the County), as fiscal agent for the District, prepares the District's financial statements in accordance with 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 rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentation 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 and Investments

As required by Ohio Revised Code, the District's cash is held and invested by the Montgomery 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. All interest earned is paid into the General Fund of the County as per State law.

D. Fund Accounting

The Montgomery County Auditor, as fiscal agent for 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 District classified 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 by law or contract to be restricted.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Board had the following significant Special Revenue Funds:

Food Service Fund - This fund is used to account for revenues received from the issuance of food service vendor operator license. Activities supported by this fund include the administration and enforcement of Section 3732, Ohio Revised Code, relating to food service operation within the County.

Air Resources Fund - This fund is used to account for federal and state revenue relating to air pollution control. Activities supported by this fund include the enhancement and betterment of air quality in Montgomery County and the contiguous area.

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, function or object level of control, and appropriations may not exceed estimated resources. The District 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. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 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.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2000 was as follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$24,921,217	\$22,758,115	(\$2,163,102)
Special Revenue	<u>2,737,803</u>	<u>2,323,206</u>	<u>(414,597)</u>
Total	<u>\$27,659,020</u>	<u>\$25,081,321</u>	<u>(\$2,577,699)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$34,224,226	\$25,037,166	\$9,187,060
Special Revenue	<u>3,721,962</u>	<u>2,849,252</u>	<u>872,710</u>
Total	<u>\$37,946,188</u>	<u>\$27,886,418</u>	<u>\$10,059,770</u>

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the District. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

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 District.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2000
(Continued)**

4. RETIREMENT SYSTEMS

The District's 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 December 31, 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for January 2000 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The District has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

The District also provides health insurance and dental/vision coverage to full-time employees through a private carrier.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARD EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2000**

Federal Grantor / Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>(Passed through Ohio Department of Health)</i>			
Special Supplemental Nutrition Program For Women, Infants, and Children	57-1-01-F-CL-389	10.557	\$1,377,260
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>(Passed through Montgomery County)</i>			
Community Development Block Grant	N/A	14.218	26,212
Lead-Based Paint Hazard Control	OHLAG0056-95	14.900	<u>246,004</u>
Total United States Department of Housing and Urban Development			<u>272,216</u>
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			
<i>(Direct Receipt)</i>			
Air Pollution Control Program Support	A-005264-99-00	66.001	416,242
Surveys, Studies, Investigations and Special Purpose Grants	A-005264-99-00	66.606	<u>148,635</u>
Total United States Environmental Protection Agency			<u>564,877</u>
UNITED STATES DEPARTMENT OF EDUCATION			
<i>(Passed through Montgomery County)</i>			
Safe and Drug-Free Schools and Communities	57-57681-01-DFS-P-00-1	84.186	28,756
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>(Passed through Ohio Department of Health)</i>			
Acquired Immunodeficiency Syndrome	57-1-01-P-CK-392	93.118	50,330
Abstinence Education Program	57-1-01-F-CS-320	93.235	19,242
Childhood Immunization Grants	57-1-01-P-AZ-392	93.268	152,740
HIV Care Formula Grants	57-1-01-F-BV-392	93.917	19,090
HIV Prevention Activities	57-1-01-P-AS-392	93.940	225,906
Maternal and Children Health Services Block Grant	N/A	93.994	20,010
Preventive Health Services - Sexually Transmitted Diseases	57-1-01-P-BX-392	93.977	100,569
Preventive Health and Health Services	57-1-01-P-BP-387	93.991	85,676
<i>(Passed through Montgomery County)</i>			
Block Grants for Prevention and Treatment	N/A	93.959	1,050,357
<i>(Passed through Project Cure)</i>			
Block Grants for Prevention and Treatment	N/A		<u>149,253</u>
Total Block Grants for Prevention and Treatment			1,199,610
<i>(Passed through Wright State University)</i>			
Maternal and Children Health Federal Consolidated Program	5-H25-MC-00111-02	93.110	1,334
<i>(Direct Receipt)</i>			
Health Center Grants for Homeless Population	6 H66 CD 00421-07	93.151	<u>591,942</u>
Total United States Department of Health and Human Services			<u>2,466,449</u>
Total Federal Awards Expenditures			<u>\$4,709,558</u>

The accompanying notes to this schedule are an integral part of this schedule.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - FISCAL ORGANIZATIONS

The Montgomery County Auditor, as the fiscal agent for the District, receives and records all District revenues and issues warrants for all District expenditures. The books of record are maintained on a basis similar to modified accrual wherein revenue and expenditures are recognized when they become susceptible to accrual, that is, both measurable and available. The books of record are balanced monthly and a reconciliation with the County Auditor's financial reporting system regarding revenue, expenditures and cash balances is also performed monthly. The District's financial report, which is prepared on a basis similar to modified accrual, was reconciled to the State's Annual Financial Report which is a cash basis statement prepared by the County Auditor. This reconciliation validates using the District's report as a basis for supplemental data, including the Schedule of Federal Awards Expenditures in this report.



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

Montgomery County Combined Health District
Reibold Building
117 South Main Street
Dayton, Ohio 45422

To the Board of Health:

We have audited the financial statements of the Montgomery County Combined Health District (the District), as of and for the year ended December 31, 2000, and have issued our report thereon dated September 28, 2001. 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 an immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated September 28, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

Montgomery County Combined Health District
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, Board of Health, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

September 28, 2001



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Montgomery County Combined Health District
Reibold Building
117 South Main Street
Dayton, Ohio 45422

To the Board of Health:

We have audited the compliance of the Montgomery County Combined Health District (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of District's management. Our responsibility is to express an opinion on District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Montgomery County Combined Health District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated September 28, 2001.

Internal Control Over Compliance

The management of the District's responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings as item 2000-60357-001.

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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

This report is intended for the information and use of the audit committee, management, Board of Health, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

September 28, 2001

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Special Supplemental Food Program for Women, Infants, and Children CDFA # 10.557
(d)(1)(viii)	Dollar Threshold: Type AIB Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Reporting of Federal Funds

Finding Number	2000-60357-001
CFDA Title and Number	All CDFA Titles listed on the Schedule of Federal Awards Expenditures except CFDA # 66.001 (Air Pollution Control Program) and CFDA # 66.606 (Surveys, Studies, Investigations and Special Purpose Grants)
Federal Award Number / Year	All Federal Award Numbers except awards for CFDA # 66.001 (Air Pollution Control Program) and CFDA # 66.606 (Surveys, Studies, Investigations and Special Purpose Grants)
Federal Agency	All Federal Agencies except the U.S. Environmental Protection Agency
Pass-Through Agency	All pass-through agencies

Reportable Condition

The District reported federal funds, that were legally restricted for specific purposes, in the General Fund rather than in the Special Revenue Fund Type. Consequently, the receipts and disbursements reported in the Special Revenue Fund Type were understated and the receipts and disbursements reported in the General Fund were overstated.

District officials should meet with the County Auditor (the fiscal agent) and established special cost centers, projects or index codes so financial activity pertaining to federal programs may be properly reported within the Special Revenue Fund Type on their financial statements.

In addition, SOP 98-3, paragraph 5.5, requires the auditee to be able to reconcile amounts presented in the financial statements to related amounts in the schedule of expenditures of federal awards. Because federal programs are not recorded by separate special cost centers, projects or index codes in Special Revenue Funds, it is difficult to reconcile between the financial statements as presented and the Schedule of Federal Expenditures. Properly recording federal program financial activity in Special Revenue Funds will facilitate this reconciliation.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2000**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-60357-001	The District did not reconcile cash fund balances with their fiscal agent's balances.	Yes	N/A
1999-60357-002	Federal funds that were legally restricted were reported in the General Fund rather than in the Special Revenue Fund Type	No	This was corrected as of FY 2001.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT
MONTGOMERY COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
December 31, 2000**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-60357-001	As of fiscal year 2001, federal funds are separated from the District's General Fund.	Fiscal Year 2001 District has established separate funds for federal programs.	Hall J. Compton, Supervisor of Accounting Services



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Telephone 614-466-4514
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MONTGOMERY COUNTY COMBINED HEALTH DISTRICT

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 8, 2001**