



**Auditor of State  
Betty Montgomery**



**HARRISON DISTRICT BOARD OF HEALTH  
HARRISON COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Harrison District Board of Health  
Harrison County  
538 North Main Street  
Cadiz, Ohio 43907

To Members of the Board:

We have audited the accompanying financial statements of Harrison District Board of Health, Harrison 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 of the Harrison District Board of Health, Harrison County, 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 June 9, 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.

Harrison District Board of Health  
Harrison County  
Independent Accountants' Report  
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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

June 9, 2003

**HARRISON DISTRICT BOARD OF HEALTH  
HARRISON 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$47,222		\$47,222
Intergovernmental	18,541	\$58,767	77,308
Permits		22,328	22,328
Licenses	55,841	43,893	99,734
Other fees		650	650
Contractual services	26,000		26,000
Other receipts	11,291		11,291
Total Cash Receipts	<u>158,895</u>	<u>125,638</u>	<u>284,533</u>
<b>Cash Disbursements:</b>			
Salaries	142,702	45,725	188,427
Supplies	24,972		24,972
Remittances to State		5,875	5,875
Equipment	2,066	60,767	62,833
Contracts - Services	17,033		17,033
Travel	16,044		16,044
Advertising and printing	218		218
Public employee's retirement	16,872		16,872
Worker's compensation	456		456
Other	17,196	13,468	30,664
Total Cash Disbursements	<u>237,559</u>	<u>125,835</u>	<u>363,394</u>
Total Receipts Over/(Under) Disbursements	<u>(78,664)</u>	<u>(197)</u>	<u>(78,861)</u>
<b>Other Financing Receipts:</b>			
Reimbursements	101,749		101,749
Other sources	1,686		1,686
Total Other Financing Receipts	<u>103,435</u>		<u>103,435</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	24,771	(197)	24,574
Fund Cash Balances, January 1	<u>61,180</u>	<u>197</u>	<u>61,377</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$85,951</u></b>	<b><u>\$0</u></b>	<b><u>\$85,951</u></b>

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

**HARRISON DISTRICT BOARD OF HEALTH  
HARRISON 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>	
<b>Cash Receipts:</b>			
Local Taxes	\$53,748		\$53,748
Intergovernmental	11,000	\$4,020	15,020
Permits	95,439	1,786	97,225
Other fees		3,075	3,075
Licenses	85,963		85,963
Contractual services	24,500		24,500
Other receipts		105	105
Total Cash Receipts	<u>270,650</u>	<u>8,986</u>	<u>279,636</u>
<b>Cash Disbursements:</b>			
Salaries	120,722	305	121,027
Supplies	11,371		11,371
Remittances to State		5,984	5,984
Equipment	4,192		4,192
Contracts - Repair	230		230
Contracts - Services	26,093	4,020	30,113
Travel	12,499		12,499
Advertising and printing	654		654
Public employee's retirement	14,426		14,426
Worker's compensation	1,444		1,444
Other	35,735		35,735
Total Cash Disbursements	<u>227,366</u>	<u>10,309</u>	<u>237,675</u>
Total Receipts Over/(Under) Disbursements	<u>43,284</u>	<u>(1,323)</u>	<u>41,961</u>
Fund Cash Balances, January 1	<u>17,896</u>	<u>1,520</u>	<u>19,416</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$61,180</u></b>	<b><u>\$197</u></b>	<b><u>\$61,377</u></b>

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



**HARRISON DISTRICT BOARD OF HEALTH  
HARRISON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Harrison District Board of Health, Harrison 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 is directed by a five-member Board and a Health Commissioner. The District's services include communicable disease investigations, immunization clinics, septic system approval, environmental services related to individual water systems, food service operations and recording vital statistics.

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 County Treasurer is custodian for the District's cash. 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. The County Auditor is the District's fiscal agent.

**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 restricted by law or contract.

**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:

Food Service Fund – This fund receives revenue from food service license fees collected by the District.

Water System – This fund receives revenue from the water system permits collected by the District.

**HARRISON DISTRICT BOARD OF HEALTH  
HARRISON COUNTY**

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

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

Public Health Infrastructure Fund - This fund receives State grant money to address bioterrorism, other outbreaks of infectious disease, and other public health threats and emergencies.

**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 Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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 District's basis of accounting.

**2. BUDGETARY ACTIVITY**

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

**HARRISON DISTRICT BOARD OF HEALTH  
HARRISON COUNTY**

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

**2. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$250,269	\$262,330	\$12,061
Special Revenue	105,015	125,638	20,623
Total	<u>\$355,284</u>	<u>\$387,968</u>	<u>\$32,684</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$294,139	\$237,559	\$56,580
Special Revenue	123,183	125,835	(2,652)
Total	<u>\$417,322</u>	<u>\$363,394</u>	<u>\$53,928</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$228,507	\$270,650	\$42,143
Special Revenue	10,610	8,986	(1,624)
Total	<u>\$239,117</u>	<u>\$279,636</u>	<u>\$40,519</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$267,651	\$227,366	\$40,285
Special Revenue	11,650	10,309	1,341
Total	<u>\$279,301</u>	<u>\$237,675</u>	<u>\$41,626</u>

**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.

**4. RETIREMENT SYSTEM**

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.

**HARRISON DISTRICT BOARD OF HEALTH  
HARRISON COUNTY**

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

**4. RETIREMENT SYSTEM (Continued)**

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

**5. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

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



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Harrison District Board of Health  
Harrison County  
538 North Main Street  
Cadiz, Ohio 43907

To Members of the Board:

We have audited the accompanying financial statements of Harrison District Board of Health, Harrison County, (the District) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 9, 2003. We conducted our audit in accordance with auditing standards generally accepted by 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 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 certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated June 9, 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 9, 2003.

Harrison District Board of Health  
Harrison County  
Independent Accountant's Report 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

June 9, 2003

**HARRISON DISTRICT BOARD OF HEALTH  
HARRISON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2000-61234-001	ORC 5705.41(D) The Board of Health did not certify expenditures.	Yes	







**Auditor of State  
Betty Montgomery**

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Columbus, Ohio 43216-1140

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**DISTRICT BOARD OF HEALTH**

**HARRISON 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 15, 2003**