



**Auditor of State
Betty Montgomery**

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

District Board of Health
Seneca County
71 S. Washington Street, Suite 1102
Tiffin, Ohio 44883-2359

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health (the District) as of and for the year ended December 31, 2003. 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 Board of Health as of December 31, 2003, 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 June 21, 2004, 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.

The accompanying 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 statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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.



Betty Montgomery
Auditor of State

June 21, 2004

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts			
Federal Awards	\$ -	\$ 590,394	\$ 590,394
Intergovernmental	-	52,341	52,341
Subdivisions	190,000	-	190,000
Levies	279,244	-	279,244
Permits	41,762	26,330	68,092
Other Fees	197,954	54,900	252,854
Licenses	1,060	75,005	76,065
Contractual Services	89,655	244,814	334,469
Gifts, Donations and Bequests	-	25,878	25,878
Other Receipts	446	5,191	5,637
Total Cash Receipts	<u>800,121</u>	<u>1,074,853</u>	<u>1,874,974</u>
Cash Disbursements			
Salaries	475,472	578,396	1,053,868
Supplies	52,831	53,217	106,048
Remittances to State	-	73,792	73,792
Equipment	21,995	55,586	77,581
Personal Services	-	8,486	8,486
Contracts - Repair	1,813	190	2,003
Contracts - Services	42,392	99,198	141,590
Special Events	342	-	342
Travel	29,205	23,510	52,715
Insurance	84,326	99,426	183,752
Advertising and Printing	2,410	5,246	7,656
Public Employee's Retirement	75,372	94,010	169,382
Worker's Compensation	3,866	4,458	8,324
Medicare	6,709	8,269	14,978
Unemployment Compensation	-	154	154
Other	38,210	22,520	60,730
Total Cash Disbursements	<u>834,943</u>	<u>1,126,458</u>	<u>1,961,401</u>
Total Disbursements Over Receipts	<u>(34,822)</u>	<u>(51,605)</u>	<u>(86,427)</u>

(Continued)

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003
(Continued)

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Other Financing Receipts/(Disbursements)			
Transfers-In	2,495	14,326	16,821
Advances-In	17,500	22,000	39,500
Transfers-Out	(14,326)	(2,495)	(16,821)
Advances-Out	(22,000)	(17,500)	(39,500)
Reimbursements	18,288	1,104	19,392
Other Sources	18,265	5,131	23,396
Other Uses	-	(10,520)	(10,520)
Total Other Financing Receipts/(Disbursements)	<u>20,222</u>	<u>12,046</u>	<u>32,268</u>
Excess of Cash Disbursements and Other Financing Disbursements Over Cash Receipts and Other Financing Receipts	(14,600)	(39,559)	(54,159)
Fund Cash Balances, January 1	<u>144,584</u>	<u>291,386</u>	<u>435,970</u>
Fund Cash Balances, December 31	<u>\$ 129,984</u>	<u>\$ 251,827</u>	<u>\$ 381,811</u>
Reserves for Encumbrances, December 31	<u>\$ 20,832</u>	<u>\$ 17,626</u>	<u>\$ 38,458</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Seneca 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 nine-member Board and a Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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 and Investments

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.

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:

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)

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:

Women, Infants and Children (WIC) Fund - This is a Federal grant fund used to account for the Special Supplemental Nutrition Program.

Public Health Infrastructure Fund - This is a Federal grant fund used to prepare and train staff area agencies, and the general public in the areas of bioterrorism and emergency preparedness.

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 and amendments thereto. 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.

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)

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 2003 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, 2003 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 849,380	\$ 839,169	\$ (10,211)
Special Revenue	1,040,905	1,095,414	54,509
Total	\$ 1,890,285	\$ 1,934,583	\$ 44,298

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 972,717	\$ 870,101	\$ 102,616
Special Revenue	1,308,798	1,157,099	151,699
Total	\$ 2,281,515	\$ 2,027,200	\$ 254,315

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)

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.

The County Commissioners are serving as a special taxing authority to levy a special levy outside the ten-mill limitation to provide the Board of Health with sufficient funds to carry out health programs. The levy generated \$279,244 in 2003. This amount is included as levy receipts.

4. RETIREMENT SYSTEM

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2003, members of OPERS contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Loan from County Commissioners	<u>\$ 16,000</u>	0.00%

The Seneca County Commissioners made an interest free loan to the District Board of Health for the purchase of new equipment for their new office facility. The loan is payable over a period of five years at \$8,000 per year

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)

Amortization of the above debt, not including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>Loan from Seneca County Commissioners</u>
2004	\$ 8,000
2005	8,000
Total	<u>\$ 16,000</u>

6. RISK MANAGEMENT

The District participates in the Seneca County Health Insurance Pool. The employees' share of the premiums is withheld by voluntary payroll deductions.

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**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	74-1-001-1-CL-03 74-1-001-1-CL-04	10.557	\$ 192,045 47,954
Total U.S. Department of Agriculture			<u>239,999</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health:</i>			
Maternal and Child Health Services	74-1-001-1-AI-03 74-1-001-1-AI-04	93.994	34,189 17,867
Lead Resource	74-1-001-2-BE-03 74-1-001-2-BE-04	93.994	71,294 13,044
Public Health Infrastructure	74-1-001-2-B1-03 74-1-001-2-B1-04	93.283	95,318 31,356
Immunization Grants	74-1-001-2-AZ-02 74-1-001-2-AZ-03	93.268	1,086 26,090
Total U.S. Department of Health and Human Services			<u>290,244</u>
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed Through Ohio Department of Health:</i>			
Ohio Environmental Protection Agency Grant	01-H-EPA-25	66.459	22,174
Indoor Radon Grants	74-1-001-2-BA-03 74-1-001-2-BA-04	66.032	12,834 3,175
Total U.S. Department of Environmental Protection Agency			<u>38,183</u>
Total Federal Awards Expenditures			<u><u>\$ 568,426</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2003**

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.



**Auditor of State
Betty Montgomery**

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

District Board of Health
Seneca County
71 S. Washington Street, Suite 1102
Tiffin, Ohio 44883-2359

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health (the District) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 21, 2004. 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*.

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.

This report is intended solely for the information and use of the audit committee, management, the Board, 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.

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 21, 2004



**Auditor of State
Betty Montgomery**

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

District Board of Health
Seneca County
71 S. Washington Street, Suite 1102
Tiffin, Ohio 44883-2359

To Members of the Board:

Compliance

We have audited the compliance of the District Board of Health (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, 2003. 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 the major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the 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 the 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.

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In our opinion, the 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, 2003.

Internal Control over Compliance

The management of the District is 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*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Board, 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.



Betty Montgomery
Auditor of State

June 21, 2004

**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2003

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 noncompliance 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?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infant and Children CFDA #10.557
(d)(1)(viii)	Dollar Threshold: Type A\B 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.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



**Auditor of State
Betty Montgomery**

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DISTRICT BOARD OF HEALTH

SENECA 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 27, 2004**