



**Auditor of State  
Betty Montgomery**



**DISTRICT BOARD OF HEALTH  
MONROE COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

District Board of Health  
Monroe County  
118 Home Avenue  
Woodsfield, Ohio 43793

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Monroe County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002. 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.

The Auditor of State has billed the District for audit services provided for fiscal years 2001 and 2000. As of the date of this report, the District has been billed a total of \$4,146 and has yet to pay \$1,987.

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, Monroe County, as of December 31, 2003 and 2002, 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 October 15, 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.

This report is intended solely for the information and use of management, the District Board Members, 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

October 15, 2004

**DISTRICT BOARD OF HEALTH  
MONROE 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>	
<b>Cash Receipts:</b>			
Federal Awards	\$	\$313,948	\$313,948
Other Intergovernmental	107,244	78,303	185,547
Other Fees	27,117	3,182	30,299
Licenses		28,122	28,122
Donations		1,173	1,173
Other Receipts	7,616	303	7,919
<b>Total Cash Receipts</b>	<u>141,977</u>	<u>425,031</u>	<u>567,008</u>
<b>Cash Disbursements:</b>			
Salaries	87,182	251,653	338,835
Supplies	15,121	5,888	21,009
Remittances to State		3,582	3,582
Equipment		13,349	13,349
Contracts - Services	12,667	9,327	21,994
Communication		15,986	15,986
Travel	1,560	16,143	17,703
Training		13,447	13,447
Hospitalization		10,152	10,152
Medicare	702	3,382	4,084
Public Employee's Retirement	11,550	33,686	45,236
Worker's Compensation	391	1,073	1,464
Unemployment Compensation		45	45
Insurance	5,130	43,835	48,965
Other	11,318		11,318
<b>Total Cash Disbursements</b>	<u>145,621</u>	<u>421,548</u>	<u>567,169</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(3,644)</u>	<u>3,483</u>	<u>(161)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	385	500	885
Advances-In	24,100	26,420	50,520
Transfers-Out	(500)	(385)	(885)
Advances-Out	(20,500)	(30,020)	(50,520)
Refunds	2,141	50	2,191
Reimbursements	287	3,439	3,726
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>5,913</u>	<u>4</u>	<u>5,917</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<u>2,269</u>	<u>3,487</u>	<u>5,756</u>
<b>Fund Cash Balances, January 1</b>	<u>7,906</u>	<u>76,584</u>	<u>84,490</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$10,175</b></u>	<u><b>\$80,071</b></u>	<u><b>\$90,246</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$1,559</b></u>	<u><b>\$14,384</b></u>	<u><b>\$15,943</b></u>

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

**DISTRICT BOARD OF HEALTH  
MONROE 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</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Federal Awards	\$	\$271,205	\$271,205
Other Intergovernmental	105,860	57,501	163,361
Other Fees	27,147	5,705	32,852
Licenses		30,533	30,533
Donations		1,167	1,167
Other Receipts		76	76
	<u>133,007</u>	<u>366,187</u>	<u>499,194</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Salaries	88,869	229,424	318,293
Supplies	13,407	5,716	19,123
Remittances to State		3,890	3,890
Equipment		5,945	5,945
Contracts - Services	15,500	8,184	23,684
Communication		2,000	2,000
Travel	3,003	12,810	15,813
Training		281	281
Medicare	867	2,972	3,839
Public Employee's Retirement	13,594	29,915	43,509
Worker's Compensation	152	520	672
Insurance	2,280	8,935	11,215
Other	2,794	33,991	36,785
	<u>140,466</u>	<u>344,583</u>	<u>485,049</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(7,459)</u>	<u>21,604</u>	<u>14,145</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	260	6,022	6,282
Advances-In (See Note 7)	6,700	11,411	18,111
Transfers-Out	(2,880)	(3,402)	(6,282)
Advances-Out (See Note 7)	(3,800)	(9,611)	(13,411)
Refunds	855	526	1,381
Reimbursements		2,554	2,554
	<u>1,135</u>	<u>7,500</u>	<u>8,635</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,324)	29,104	22,780
Fund Cash Balances, January 1	<u>14,230</u>	<u>47,480</u>	<u>61,710</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$7,906</u></b>	<b><u>\$76,584</u></b>	<b><u>\$84,490</u></b>
Reserves for Encumbrances, December 31	<u>\$200</u>	<u>\$1,462</u>	<u>\$1,662</u>

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



**DISTRICT BOARD OF HEALTH  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The District Board of Health, Monroe 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. These members are appointed by the District Advisory Council which is made up of the Chairman of each of the Townships of the County, the Mayors of each of the Villages of the County and the Chairman of the County Commissioners. The District's services include referrals to the Bureau of Children with Medical Handicaps, communicable disease investigations, immunization clinics, tuberculosis screening, various licenses and permits, including inspections, birth and death certificates, public health nursing services and other related services.

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.

**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:

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

**DISTRICT BOARD OF HEALTH  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Help Me Grow Fund* - This fund receives State and Federal grant money to provide parental education and developmental screenings for children under the age of three.

**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. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio law.

A summary of 2003 and 2002 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.

**DISTRICT BOARD OF HEALTH  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2003 and 2002, follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$168,890	\$168,890	\$0
Special Revenue	455,440	455,440	0
Total	\$624,330	\$624,330	\$0

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$173,053	\$168,180	\$4,873
Special Revenue	497,923	466,337	31,586
Total	\$670,976	\$634,517	\$36,459

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$140,822	\$140,822	\$0
Special Revenue	386,700	386,700	0
Total	\$527,522	\$527,522	\$0

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$153,934	\$147,346	\$6,588
Special Revenue	407,321	359,058	48,263
Total	\$561,255	\$506,404	\$54,851

**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 Other Intergovernmental receipts of the General Fund within the financial statements. All Monroe County townships and villages comprise the District.

**DISTRICT BOARD OF HEALTH  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**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 and 2002, OPERS 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, 2003.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- General liability and casualty;
- Public official's liability; and
- Errors and omissions.

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material

**7. INTER-FUND AND INTER-ENTITY ADVANCES**

During 2002, Monroe County's General Fund advanced \$4,700 to the District's General Fund. This advance was reflected as a \$4,700 variance between Advances-In and Advances-Out within the 2002 accompanying financial statement. As of the date of this report, the District has yet to repay Monroe County's General Fund for this advance.



## Auditor of State Betty Montgomery

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

District Board of Health  
Monroe County  
118 Home Avenue  
Woodsfield, Ohio 43793

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Monroe County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated October 15, 2004, wherein we noted the District has unpaid fees for audit services provided for fiscal years 2001 and 2000. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2003-001. We also noted a certain immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated October 15, 2004.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting 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 the District's management in a separate letter dated October 15, 2004.

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This report is intended solely for the information and use of management and the District Board Members, 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

October 15, 2004

**DISTRICT BOARD OF HEALTH  
MONROE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer attached that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by Ohio Rev. Code Section 5705.41(D) (1):

- A. Then and Now Certificate - If the fiscal officer can certify that both at the time the contract or order was made and at the time that he/she is completing his/her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
  
- B. Amounts of less than \$100 in the case of counties, or \$1,000 (\$3,000 after April 7, 2003) in the case of all other subdivisions or taxing units, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The District did not obtain the District Administrator's prior certification of available funds for twenty-seven percent of transactions tested, nor was there evidence of a "then and now" certificate being used by the District Administrator.

We recommend District employees obtain the District Administrator's prior certification for all disbursements at the time the obligation is incurred. In cases where prior certification is not practical, the use of a "then and now" certificate should be considered.

**DISTRICT BOARD OF HEALTH  
MONROE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING  
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2001-61056-001	Ohio Rev. Code Section 5705.41(D) for not certifying the availability of funds prior to incurring obligations.	No	Not Corrected; Reissued as Finding No. 2003-001.





**Auditor of State  
Betty Montgomery**

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**DISTRICT BOARD OF HEALTH  
MONROE 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 30, 2004**