



Mary Taylor, CPA
Auditor of State

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

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Mary Taylor, CPA
Auditor of State

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

To the Members of the Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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Auditor of State

July 30, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Monroe County, Ohio (the Health District), as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Health 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Health District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the Health District's larger (i.e., major) funds separately. While the Health District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require health districts to reformat their statements. The Health District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Health District as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, 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, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Health District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2010 on our consideration of the Health District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

July 30, 2010

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, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$136,961	\$442,705	\$579,666
Vital Statistics	8,747		8,747
Environmental Fees	1,320		1,320
Fiscal Fees	5,000		5,000
Nursing Fees	19,992	15,469	35,461
Licenses and Fees	2,206	40,953	43,159
Contract Services	2,100		2,100
Donations		25	25
Other Receipts		5,000	5,000
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	176,326	504,152	680,478
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	103,562	265,047	368,609
Supplies	8,291	3,504	11,795
Remittances to State		4,421	4,421
Contracts - Services	13,500	28,963	42,463
Travel	1,609	9,770	11,379
Unemployment		281	281
Medicare	1,476	3,435	4,911
Workers' Compensation	1,849	4,988	6,837
Ohio Public Employee Retirement System	14,369	36,598	50,967
Insurance	9,409	29,712	39,121
Other	14,738	35,731	50,469
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	168,803	422,450	591,253
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	7,523	81,702	89,225
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):			
Advances-In	41,597	37,185	78,782
Advances-Out	(37,185)	(41,597)	(78,782)
Refunds/Reimbursements	105	28	133
Other Sources		1,277	1,277
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	4,517	(3,107)	1,410
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	12,040	78,595	90,635
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	4,824	133,665	138,489
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$16,864</u>	<u>\$212,260</u>	<u>\$229,124</u>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	<u>\$12,033</u>	<u>\$5,798</u>	<u>\$17,831</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, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$133,020	\$401,516	\$534,536
Vital Statistics	8,771		8,771
Environmental Fees	1,402		1,402
Fiscal Fees	9,980		9,980
Nursing Fees	12,517	8,359	20,876
Licenses and Fees	1,667	39,628	41,295
Other Receipts		6,881	6,881
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	167,357	456,384	623,741
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	96,366	262,425	358,791
Supplies	7,500	5,785	13,285
Remittances to State		4,985	4,985
Equipment		3,396	3,396
Contracts - Services	13,500	17,186	30,686
Travel	2,574	10,341	12,915
Medicare	1,399	3,769	5,168
Workers' Compensation	1,819	4,757	6,576
Ohio Public Employee Retirement System	13,310	36,300	49,610
Insurance	7,639	22,357	29,996
Other	30,126	62,818	92,944
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	174,233	434,119	608,352
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(6,876)	22,265	15,389
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):			
Advances-In	27,264	28,000	55,264
Advances-Out	(28,000)	(27,264)	(55,264)
Refunds/Reimbursements	177	809	986
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(559)	1,545	986
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(7,435)	23,810	16,375
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	12,259	109,855	122,114
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$4,824	\$133,665	\$138,489
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	\$4,741	\$2,641	\$7,382
	<hr/>	<hr/>	<hr/>

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, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Monroe County (the Health District), as a body corporate and politic. A five-member Board and a Health Commissioner govern the Health District. These members are appointed by the Health District Advisory Council which is made up of the chairman of each township within Monroe County, the mayor of each Village within Monroe County, and the chairman of the Monroe County Commissioners. The Health District's services include vital statistics, communicable disease investigations, immunization clinics, environmental health services, inspections, public health nursing services, and issues health-related licenses and permits.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Health District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

As required by the Ohio Revised Code, the Monroe County Treasurer is custodian for the Health District's deposits. The County's deposit and investment pool holds the Health District's assets, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The Health District uses fund accounting to segregate cash and investments that are restricted as to use. The Health District classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

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

Help Me Grow Fund - This State and Federal grant provides parental education and developmental screenings for children under the age of three.

Public Health Infrastructure Grant Fund - This fund receives Federal grant money to address bioterrorism and other public health threats and emergencies at the health department level.

E. Budgetary Process

The Ohio Revised Code requires the Health District to budget each fund annually.

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

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

A summary of 2009 and 2008 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The Health District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2009 and 2008, follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$187,787	\$218,028	\$30,241
Special Revenue	465,018	542,642	77,624
Total	\$652,805	\$760,670	\$107,865

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$222,996	\$218,021	\$4,975
Special Revenue	539,804	469,845	69,959
Total	\$762,800	\$687,866	\$74,934

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$198,142	\$194,798	(\$3,344)
Special Revenue	474,941	485,193	10,252
Total	\$673,083	\$679,991	\$6,908

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$214,902	\$206,974	\$7,928
Special Revenue	520,762	464,024	56,738
Total	\$735,664	\$670,998	\$64,666

3. Intergovernmental Funding

Monroe County apportions the excess of the Health District's appropriations over other estimated receipts among the townships and municipalities composing the Health District, based on their taxable property valuations. The Monroe County Auditor withholds the apportioned excess from property tax settlements and distributes it to the Health District. The financial statements present these amounts as intergovernmental receipts.

4. Retirement System

The Health District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

4. Retirement Systems (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Health District contributed an amount equaling 14% of participants' gross salaries. The Health District has paid all contributions required through December 31, 2009.

5. Risk Management

Commercial Insurance

The Health District has obtained commercial insurance through Monroe County for the following risks:

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

6. Contingent Liabilities

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

District Board of Health
Monroe County
118 Home Avenue
Woodsfield, Ohio 43792

To the Members of the Board:

We have audited the financial statements of the District Board of Health, Monroe County, Ohio (the Health District), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 30, 2010, wherein we noted the Health District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Health District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Health District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Health District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Health District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Health District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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District Board of Health
Monroe County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the Health District's management in a separate letter dated July 30, 2010.

We intend this report solely for the information and use of management, the District Board of Health, and others within the Health District. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

July 30, 2010



Mary Taylor, CPA
Auditor of State

MONROE COUNTY DISTRICT BOARD OF HEALTH

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
AUGUST 26, 2010**