



Dave Yost • Auditor of State

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Jefferson General Health District
Jefferson County
500 Market Street, 7th Floor
Steubenville, Ohio 43952

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Jefferson General Health District, Jefferson County, (the District) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Jefferson General Health District, Jefferson County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2014, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Government's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

August 7, 2014

**JEFFERSON COUNTY GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Intergovernmental:			
Apportionments	\$188,212		\$188,212
Grants	40,582	\$499,010	539,592
Other	9,646		9,646
Other Fees	71,857	362,329	434,186
Licenses		74,900	74,900
Contractual Services	25,257	220,436	245,693
Miscellaneous	28,626	1,806	30,432
<i>Total Cash Receipts</i>	<u>364,180</u>	<u>1,158,481</u>	<u>1,522,661</u>
Cash Disbursements			
Current:			
Health:			
Salaries	240,033	349,834	589,867
Supplies	4,762	16,202	20,964
Remittances to State		14,138	14,138
Maintenance	320	1,020	1,340
Equipment		14,323	14,323
Contracts - Services		108,620	108,620
Travel	3,934	9,083	13,017
Certifications	23,440		23,440
Utilities and Rentals	3,889	2,733	6,622
Social Security and Medicare	4,136	4,662	8,798
Public Employees' Retirement	36,881	45,292	82,173
Unemployment	2,280	800	3,080
Hospitalization	33,769	105,347	139,116
Other	41,392	437,258	478,650
<i>Total Cash Disbursements</i>	<u>394,836</u>	<u>1,109,312</u>	<u>1,504,148</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(30,656)</u>	<u>49,169</u>	<u>18,513</u>
Other Financing Receipts (Disbursements)			
Transfers In	176	31,128	31,304
Transfers Out		(31,128)	(31,128)
Advances In	45,758	34,771	80,529
Advances Out	(6,765)	(89,879)	(96,644)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>39,169</u>	<u>(55,108)</u>	<u>(15,939)</u>
<i>Net Change in Fund Cash Balances</i>	8,513	(5,939)	2,574
<i>Fund Cash Balances, January 1</i>	<u>21,434</u>	<u>63,071</u>	<u>84,505</u>
Fund Cash Balances, December 31			
Restricted		49,997	49,997
Assigned		7,135	7,135
Unassigned (Deficit)	29,947		29,947
<i>Fund Cash Balances, December 31</i>	<u>\$29,947</u>	<u>\$57,132</u>	<u>\$87,079</u>

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

**JEFFERSON COUNTY GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ENTERPRISE FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$15,209
Fines, Licenses and Permits	167,610
Miscellaneous	3,513
<i>Total Operating Cash Receipts</i>	186,332
Operating Cash Disbursements	
Personal Services	77,639
Supplies and Materials	581
Travel	5,277
Certifications	13,633
Utilities and Rentals	1,656
Public Employees Retirement	10,242
Workers' Compensation	4,109
Unemployment	2,360
Hospitalization	7,515
Medicare	1,108
Other	13,741
<i>Total Operating Cash Disbursements</i>	137,861
<i>Operating Income (Loss)</i>	48,471
Transfers Out	(176)
Advances In	48,373
Advances Out	(32,258)
<i>Net Receipts Over/(Under) Disbursements</i>	64,410
<i>Fund Cash Balances, January 1</i>	14,624
<i>Fund Cash Balances, December 31</i>	\$79,034

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

**JEFFERSON COUNTY GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Intergovernmental:			
Apportionments	\$280,516		\$280,516
Grants		\$426,272	426,272
Other	9,656		9,656
Other Fees	64,251	292,205	356,456
Licenses		65,100	65,100
Contractual Services	30,711	276,454	307,165
Miscellaneous	7,043	1,077	8,120
<i>Total Cash Receipts</i>	<u>392,177</u>	<u>1,061,108</u>	<u>1,453,285</u>
Cash Disbursements			
Current:			
Health:			
Salaries	254,485	457,695	712,180
Supplies	6,601	16,264	22,865
Maintenance	452	1,187	1,639
Equipment		3,124	3,124
Contracts - Services	508	78,766	79,274
Travel	8,728	12,530	21,258
Certifications	24,151		24,151
Utilities and Rentals	4,663	14,446	19,109
Social Security and Medicare	4,065	6,504	10,569
Public Employees' Retirement	35,595	61,782	97,377
Workers Compensation	6,264	13,971	20,235
Unemployment	2,480	3,024	5,504
Hospitalization	52,149	170,864	223,013
Other	35,851	321,812	357,663
<i>Total Cash Disbursements</i>	<u>435,992</u>	<u>1,161,969</u>	<u>1,597,961</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(43,815)</u>	<u>(100,861)</u>	<u>(144,676)</u>
Other Financing Receipts (Disbursements)			
Advances In	73,143	104,148	177,291
Advances Out	(53,010)	(80,159)	(133,169)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>20,133</u>	<u>23,989</u>	<u>44,122</u>
<i>Net Change in Fund Cash Balances</i>	(23,682)	(76,872)	(100,554)
<i>Fund Cash Balances, January 1</i>	<u>45,116</u>	<u>139,943</u>	<u>185,059</u>
Fund Cash Balances, December 31			
Restricted		50,899	50,899
Assigned		12,172	12,172
Unassigned (Deficit)	21,434		21,434
<i>Fund Cash Balances, December 31</i>	<u>\$21,434</u>	<u>\$63,071</u>	<u>\$84,505</u>

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

**JEFFERSON COUNTY GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ENTERPRISE FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$10,880
Fines, Licenses and Permits	134,630
Miscellaneous	1,395
	<u>146,905</u>
 <i>Total Operating Cash Receipts</i>	
	<u>146,905</u>
 Operating Cash Disbursements	
Personal Services	85,664
Supplies and Materials	1,523
Travel	7,056
Certifications	13,520
Utilities and Rentals	1,425
Public Employees Retirement	11,548
Workers' Compensation	3,856
Unemployment	11,960
Hospitalization	13,566
Medicare	1,254
Other	20,748
	<u>172,120</u>
 <i>Total Operating Cash Disbursements</i>	
	<u>172,120</u>
 <i>Operating Income (Loss)</i>	
	<u>(25,215)</u>
 Advances In	
	12,860
Advances Out	
	<u>(56,982)</u>
 <i>Net Receipts Over/(Under) Disbursements</i>	
	<u>(69,337)</u>
 <i>Fund Cash Balances, January 1</i>	
	<u>83,961</u>
 <i>Fund Cash Balances, December 31</i>	
	<u>\$14,624</u>

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

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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 Jefferson General Health District, Jefferson County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. 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. 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 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 Jefferson County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the 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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

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

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

Construction, Demolition, and Debris (CD&D) Fund - This fund receives tonnage fees from landfills and construction, demolition, and debris materials. Monies are then remitted to the appropriate agencies. The amount retained by the District is used to pay for investigations of illegal trash disposals.

3. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends to recover the significant costs of providing certain goods or services through user charges. The District had the following significant enterprise funds:

Food Service Fund - This fund receives revenues related to food service licenses. It accounts for the cost of providing various services including site inspections.

Environmental Health Fund - This fund receives fees for licenses and permits relating to sewage systems. It accounts for the cost of providing various services including site inspections.

E. Budgetary Process

The Ohio Revised Code requires the District to budget each fund 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 District Board must annually approve appropriation measures and subsequent amendments. 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. The County Budget Commission must approve estimated resources.

3. Encumbrances

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

A summary of 2013 and 2012 budgetary activity appears in Note 2.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

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

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

H. 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.

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$453,969	\$410,114	(\$43,855)
Special Revenue	1,193,320	1,224,380	31,060
Enterprise	230,454	234,705	4,251
Total	\$1,877,743	\$1,869,199	(\$8,544)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$498,534	\$401,601	\$96,933
Special Revenue	1,162,639	1,230,319	(67,680)
Enterprise	145,502	170,295	(24,793)
Total	\$1,806,675	\$1,802,215	\$4,460

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$465,320	\$465,320	\$0
Special Revenue	1,021,491	1,165,256	143,765
Enterprise	146,905	159,765	12,860
Total	\$1,633,716	\$1,790,341	\$156,625

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$492,563	\$489,002	\$3,561
Special Revenue	1,292,128	1,242,128	50,000
Enterprise	246,998	229,102	17,896
Total	\$2,031,689	\$1,960,232	\$71,457

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

2. Budgetary Activity (Continued)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Solid Waste, Food Service, and Marina funds by \$14,668, \$28,538, and \$176 respectively, for the year ended December 31, 2013. Also contrary to Ohio law, appropriations exceeded estimated resources in the Parents as Teachers, Ground Water, and Environmental Health funds by \$45,078, \$21,456, and \$10,861 respectively, for the year ended December 31, 2012.

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. The financial statements present these amounts as intergovernmental receipts.

4. Retirement Systems

The 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.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2013.

5. Risk Management

The District is covered as part of Jefferson County's insurance coverage. County officials entered into an agreement with the County Risk Sharing Authority (CORSA), in conjunction with the County Commissioners Association of Ohio, to provide insurance coverage on property, buildings, vehicles, and equipment through a self-insurance program. Real property and contents are 100% insured.

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among forty-one counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self Insurance program, a primary group and Excess Insurance/Self Insurance and Risk Management Program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage's provided by CORSA.

These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' error and omissions liability insurance.

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

5. Risk Management (Continued)

Each member, one from each member county, has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each Member County's control over budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member Counties' obligation to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County does not have an equity interest or financial responsibility.



Dave Yost • Auditor of State

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

Jefferson General Health District
Jefferson County
500 Market Street, 7th Floor
Steubenville, Ohio 43952

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Jefferson General Health District, Jefferson County, (the District) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated August 7, 2014 wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency in internal control. We consider finding 2013-003 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the 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, opining 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of as items 2013-001 through 2013-003.

Entity's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

August 7, 2014

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

Noncompliance

Ohio Rev. Code § 3709.28 states, in part, that the Board of Health of a general health district shall not adopt an itemized appropriation measure in excess of its estimated resources as submitted to the county budget commission.

Appropriations exceeded estimated resources in the following funds:

2012:

Fund	Appropriations	Estimated Resources	Variance
Parents as Teachers	\$45,078	\$0	(\$45,078)
Ground Water	\$21,456	\$0	(\$21,456)
Environmental Health	\$40,103	\$29,370	(\$10,861)
Help Me Grow Part C	\$43,893	\$39,838	(\$4,055)
Help Me Grow GRF	\$159,172	\$134,700	(\$24,472)
Solid Waste	\$81,577	\$75,585	(\$5,992)
Construction, Demolition and Debris	\$424,352	\$378,762	(\$45,491)
Women, Infant and Children	\$345,912	\$328,890	(\$17,022)

2013:

Fund	Appropriations	Estimated Resources	Variance
General	\$498,534	\$475,403	(\$23,131)

The District should limit their itemized appropriation measure to the total estimated resources to help ensure compliance with this Revised Code section and also to increase internal controls over disbursements.

Official's Response:

The Jefferson County General Health District will limit their itemized appropriation measure to the total estimated resources to ensure compliance with the Revised Code section and will increase internal controls over disbursements. This will be done by comparing appropriations to the estimated resources on a monthly basis.

FINDING NUMBER 2013-002

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision from making expenditure unless it has been properly appropriated:

Expenditures exceeded appropriations in the following funds:

2012:

Fund	Total Appropriations	Total Expenditures	Variance
Plumbing	\$16,679	\$18,240	(\$1,561)
Environmental Health	\$40,231	\$42,231	(\$2,000)

2013:

Fund	Total Appropriations	Total Expenditures	Variance
Solid Waste	\$47,261	\$61,929	(\$14,668)
Food Service	\$65,088	\$93,626	(\$28,538)
Marina	\$0	\$176	(\$176)
Car Seats	\$5,374	\$6,037	(\$663)
Public Health Infrastructure	\$186,917	\$189,577	(\$2,660)
Construction, Demolition and Debris	\$430,015	\$472,035	(\$42,020)
Woman, Infant and Children	\$298,244	\$308,780	(\$10,536)

The District should monitor disbursements throughout the year so that they are all within appropriations. The Administrative Assistant should not certify the availability of funds and should deny payment requests exceeding appropriations. The Administrative Assistant may request the Board to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Official's Response:

The Jefferson County General Health District will monitor disbursements on a monthly basis so that they are all within appropriations. The Administrative Assistant will not certify the availability of funds and will deny payment requests exceeding appropriations. This will be done by comparing appropriations to actual expenditures and estimated resources on a monthly basis.

FINDING NUMBER 2013-003

Non Compliance/Significant Deficiency

Ohio Administrative Code § 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. They should design an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances or appropriations.

The District failed to post any estimated resources to the system for 2012. In addition, the Bookkeeper did not accurately post the amounts of appropriations, as approved by the Board, to the computer system for 2013.

2013:

Fund	Approved Appropriations	Amount Posted to Ledgers	Variance
General	\$498,534	\$744,997	\$246,464
Car Seats	\$5,374	\$12,172	\$6,798
Parents as Teachers	\$36,643	\$20,584	(\$16,058)
Immunization Action Plan	\$9,924	\$11,000	\$1,076
Public Health Infrastructure	\$186,917	\$156,488	(\$30,429)
Help Me Grow Part C	\$117,760	\$48,757	(\$69,003)
Help Me Grow GRF	\$30,502	\$111,519	\$81,017
Solid Waste	\$47,261	\$90,529	\$43,267
Construction, Demolition, and Debris	\$430,015	\$357,306	(\$72,709)
Women, Infant, and Children	\$298,244	\$326,881	\$28,637
Food Service	\$65,088	\$62,258	(\$2,830)
Parks and Camps	\$2,582	\$3,413	\$831
Plumbing	\$16,844	\$25,099	\$8,255
Trailer Park	\$1,024	\$3,739	\$2,715
Water	\$11,720	\$11,335	(\$385)
Swimming Pools	\$2,257	\$3,442	\$1,185
Environmental Health	\$45,987	\$29,370	(\$16,617)

As the appropriation resolution and subsequent amendments establish the legal spending authority of the District and the appropriation ledger provides the process by which the District controls spending, it is necessary that the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger. As the original certificate and amendments establish the amounts available for expenditures in the District and the receipt ledger provides the process by which the District controls what is available, it is necessary that the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger. Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

FINDING NUMBER 2013-003
(Continued)

To effectively control the budgetary cycle and to maintain accountability over District expenditures and receipts, the District Board should pass detailed appropriations in specific amounts for all funds; and then post to the ledgers, on a timely basis, estimated resources and appropriations, with the amounts noted in the minute record. Amounts posted should then be verified for accuracy.

Official's Response:

The computerized budgetary system was new in 2012. The Jefferson County General Health District will post estimated resources in the system as well as accurately post the amounts of appropriations, as approved by the Board to the computer system. The Jefferson County General Health District will monitor appropriations more closely and make amendments as necessary.

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01	Ohio Rev. Code 5705.41(D): expenditures not properly certified	Yes	
2011-02	Material Weakness: Improper posting of receipts	Partially	Noted in Management Letter
2011-03	2 CFR Part 225 Appendix B Sec. 8H (4): Questioned costs for failing to maintain time and effort logs.	N/A	
2011-04	Material Weakness: Program Director failed to sign each requisition.	N/A	

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Dave Yost • Auditor of State

JEFFERSON GENERAL HEALTH DISTRICT

JEFFERSON 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
SEPTEMBER 30, 2014**