



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, 7<sup>th</sup> Floor  
Steubenville, Ohio 43952

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Jefferson General Health District, Jefferson County, (the District) as of and for the years ended December 31, 2015 and 2014.

### ***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 opinions.

***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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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, 2015 and 2014, 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, 2015 and 2014, 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 May 17, 2016, 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 District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

May 17, 2016

**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, 2015**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental:			
Apportionments	\$278,146		\$278,146
Grants	38,231	\$391,578	429,809
Other	25,500		25,500
Other Fees	81,592	109,466	191,058
Licenses	310	74,900	75,210
Contractual Services	29,042	92,696	121,738
Miscellaneous	873	256	1,129
<i>Total Cash Receipts</i>	<u>453,694</u>	<u>668,896</u>	<u>1,122,590</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	177,381	323,671	501,052
Supplies	9,021	30,253	39,274
Remittances to State	26,011		26,011
Maintenance	145	720	865
Contracts - Services		81,478	81,478
Travel	9,644	10,506	20,150
Utilities and Rentals	5,201	1,606	6,807
Social Security and Medicare	2,808	4,688	7,496
Public Employees' Retirement	24,263	45,313	69,576
Workers' Compensation	2,499	4,567	7,066
Hospitalization	67,037	75,137	142,174
Other	43,391	153,405	196,796
<i>Total Cash Disbursements</i>	<u>367,401</u>	<u>731,344</u>	<u>1,098,745</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>86,293</u>	<u>(62,448)</u>	<u>23,845</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	169	38,540	38,709
Transfers Out	(27,298)	(27,440)	(54,738)
Advances In		19,476	19,476
Advances Out	(19,476)	(4,047)	(23,523)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(46,605)</u>	<u>26,529</u>	<u>(20,076)</u>
<i>Net Change in Fund Cash Balances</i>	39,688	(35,919)	3,769
<i>Fund Cash Balances, January 1</i>	<u>31,108</u>	<u>116,867</u>	<u>147,975</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		32,537	32,537
Assigned		48,410	48,410
Unassigned (Deficit)	70,796		70,796
<i>Fund Cash Balances, December 31</i>	<u>\$70,796</u>	<u>\$80,947</u>	<u>\$151,743</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  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Enterprise
<b>Operating Cash Receipts</b>	
Fines, Licenses and Permits	\$161,473
Miscellaneous	2,010
	<u>163,483</u>
<i>Total Operating Cash Receipts</i>	<u>163,483</u>
<b>Operating Cash Disbursements</b>	
Personal Services	111,715
Supplies and Materials	1,275
Travel	9,944
Certifications	11,801
Utilities and Rentals	856
Public Employees Retirement	15,674
Workers' Compensation	1,551
Hospitalization	18,135
Medicare	1,619
Other	6,471
	<u>179,041</u>
<i>Total Operating Cash Disbursements</i>	<u>179,041</u>
<i>Operating Income (Loss)</i>	<u>(15,558)</u>
<b>Non-Operating Receipts/Disbursements</b>	
Other Debt Proceeds	25,403
Capital Outlay	(25,403)
Redemption of Principal	(8,257)
Interest and Fiscal Charges	(825)
	<u>(9,082)</u>
<i>Total Non-Operating Receipts / (Disbursements)</i>	<u>(9,082)</u>
Transfers In	29,131
Transfers Out	(13,102)
Advances In	4,047
	<u>4,564</u>
<i>Net Receipts Over/(Under) Disbursements</i>	<u>(4,564)</u>
<i>Fund Cash Balances, January 1</i>	<u>4,706</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$142</u></u>

*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, 2014**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental:			
Apportionments	\$238,227		\$238,227
Grants	43,396	\$441,020	484,416
Other Fees	64,160	180,852	245,012
Licenses	155	65,100	65,255
Contractual Services	25,762	102,904	128,666
Miscellaneous	724	3,130	3,854
	372,424	793,006	1,165,430
 <b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	195,351	340,815	536,166
Supplies	8,718	16,248	24,966
Remittances to State	24,304	5,627	29,931
Maintenance	954	580	1,534
Equipment	19,758	9,248	29,006
Contracts - Services		59,479	59,479
Travel	7,169	11,706	18,875
Utilities and Rentals	4,958	3,375	8,333
Social Security and Medicare	3,054	4,941	7,995
Advertising and Printing		1,084	1,084
Public Employees' Retirement	26,861	45,413	72,274
Hospitalization	23,630	104,081	127,711
Other	31,061	227,643	258,704
	345,818	830,240	1,176,058
<i>Total Cash Disbursements</i>	345,818	830,240	1,176,058
<i>Excess of Receipts Over (Under) Disbursements</i>	26,606	(37,234)	(10,628)
 <b>Other Financing Receipts (Disbursements)</b>			
Transfers In	12,702	117,629	
Transfers Out	(38,147)	(24,707)	
Advances In		4,047	4,047
	(25,445)	96,969	4,047
<i>Total Other Financing Receipts (Disbursements)</i>	(25,445)	96,969	4,047
<i>Net Change in Fund Cash Balances</i>	1,161	59,735	60,896
<i>Fund Cash Balances, January 1</i>	29,947	57,132	87,079
 <b>Fund Cash Balances, December 31</b>			
Restricted		64,743	64,743
Assigned		52,124	52,124
Unassigned (Deficit)	31,108		31,108
	\$31,108	\$116,867	\$147,975
<i>Fund Cash Balances, December 31</i>	\$31,108	\$116,867	\$147,975

*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  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$10,054
Fines, Licenses and Permits	159,339
Miscellaneous	994
<i>Total Operating Cash Receipts</i>	170,387
<b>Operating Cash Disbursements</b>	
Personal Services	93,061
Supplies and Materials	543
Travel	14,920
Certifications	13,208
Utilities and Rentals	1,577
Public Employees Retirement	12,965
Workers' Compensation	
Unemployment	9,261
Hospitalization	17,487
Medicare	1,343
Other	8,825
<i>Total Operating Cash Disbursements</i>	173,190
<i>Operating Income (Loss)</i>	(2,803)
Transfers In	5,414
Transfers Out	(72,892)
Advances In	
Advances Out	(4,047)
<i>Net Receipts Over/(Under) Disbursements</i>	(74,328)
<i>Fund Cash Balances, January 1</i>	79,034
<i>Fund Cash Balances, December 31</i>	\$4,706

*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, 2015 AND 2014**

**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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**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 accounts for the Special Supplemental Nutrition Program.

**JEFFERSON GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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

Public Health Emergency Preparedness (PHEP) Fund - This is a Federal grant fund for providing equipment and services needed during a public health emergency.

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, 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 2015 and 2014 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, 2015 AND 2014  
(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.

**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.

**JEFFERSON GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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

**I. Interfund Transactions**

During the course of normal operations, the Board will, as necessary, transfer or advance cash between funds to meet current obligations. Net interfund transactions in 2015 and 2014, were \$67,840 and \$135,746, respectively.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$499,738	\$453,863	(\$45,875)
Special Revenue	713,318	726,912	13,594
Enterprise	196,662	222,064	25,402
Total	\$1,409,718	\$1,402,839	(\$6,879)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$446,263	\$414,175	\$32,088
Special Revenue	765,280	762,831	2,449
Enterprise	201,226	226,628	(25,402)
Total	\$1,412,769	\$1,403,634	\$9,135

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$424,140	\$385,126	(\$39,014)
Special Revenue	919,663	914,682	(4,981)
Enterprise	186,304	175,801	(10,503)
Total	\$1,530,107	\$1,475,609	(\$54,498)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$425,794	\$383,965	\$41,829
Special Revenue	859,909	854,947	4,962
Enterprise	260,632	250,129	10,503
Total	\$1,546,335	\$1,489,041	\$57,294

**JEFFERSON GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(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. The financial statements present these amounts as intergovernmental receipts.

**4. RETIREMENT SYSTEM**

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 2015 and 2014, 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, 2015.

**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.

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.

**JEFFERSON GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**6. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Vehicle Lease Purchase Agreement	\$17,146	5.20%
Total	\$17,146	

The General Health District entered into a lease purchase agreement for a 2015 Ford Escape to be used as transportation while conducting food service inspections.

Amortization of the above debt, including interest, is scheduled as follows:

	Vehicle Lease Purchase
Year ending December 31: 2016	\$9,082
2017	9,082
Total	\$18,164



# 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, 7<sup>th</sup> 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 cash balances, receipts, and disbursements by fund type of the Jefferson General Health District, Jefferson County, (the District) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated May 17, 2016 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 opinion 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-001 to be a material weakness.

***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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

**Entity's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

***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

May 17, 2016

**JEFFERSON GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2015-001**

**Material Weakness**

**Posting of Receipts and Expenditures**

Sound financial reporting is the responsibility of the District and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The District did not post or correctly code and classify the following receipts and disbursements in 2015, which resulted in adjustments and reclassifications to the financial statements. The District did not abide by the adopted chart of accounts nor have procedures in place to ensure correct postings. The District has agreed to and posted to the ledgers the following adjustments and reclassifications. The corrected amounts are reflected in the accompanying financial statements.

2015:

<b>Fund Name</b>	<b>Account Type</b>	<b>Amount</b>	<b>Description</b>
<b>Adjustments:</b>			
General	Intergovernmental Revenue	(\$13,787)	To adjust revenue from General to PHEP fund
PHEP	Intergovernmental Revenue	+ 13,787	To adjust revenue from the General fund
Food Service	Capital Outlay Expense	+ 25,403	To post expense of debt proceeds
Food Service	Other Debt Proceeds	+ 25,403	To post Debt Proceeds
<b>Reclassification:</b>			
Food Service	Travel Expense	( 9,082)	To reclassify debt payments
Food Service	Principal Payments	+8,257	To reclassify debt payments
Food Service	Interest Expense	+ 825	To reclassify debt payments

We also noted additional items that were misclassified but were not material to the financial statements and were not adjusted. The District did not have procedures in place to properly record transactions.

Failure to consistently follow a uniform chart of accounts could increase the possibility the District will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

The District bookkeeper should maintain the accounting system to enable the District to identify, assemble, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified accordingly to help ensure that financial activity of the District is accurately recorded and reported.

**Official's Response:**

The District bookkeeper will maintain the accounting system to enable the District to identify, assemble, classify, record, and report all transactions and to maintain accountability. All transactions will be properly coded and classified accordingly to help ensure that financial activity of the District is accurately recorded and reported by conducting a more in depth reconciliation at month end. All transactions are now being reconciled with backup information attached to the reconciliation reports in order to double check the posting and proper classification and coding of all transactions. The District will abide by the adopted chart of accounts and has implemented procedures to ensure correct postings

**JEFFERSON GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2013-001	Ohio Rev. Code § 3709.28 appropriations exceeding estimated resources	Yes	Finding no longer valid
2013-002	Ohio Rev. Code § 5705.41(B) expenditures exceeding appropriations	Yes	Finding no longer valid
2013-003	Ohio Administrative Code § 117-2-02©(1) intergrating budgetary information into the account system	Yes	Finding no longer valid

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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  
JUNE 7, 2016**