



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000.....	4
Notes to the Financial Statements.....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Findings.....	11

This page intentionally left blank.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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 District), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of District Board of Health, Monroe County as of December 31, 2001 and 2000, 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 April 19, 2002, 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 Board of Health 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, appearing to read "Jim Petro".

Jim Petro
Auditor of State

April 19, 2002

This page intentionally left blank.

**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, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal awards	\$	\$234,863	\$234,863
Other Intergovernmental	80,201	83,876	164,077
Permits		2,940	2,940
Other fees	26,564	564	27,128
Licenses		23,342	23,342
Other receipts	5,113	1,229	6,342
	<u>111,878</u>	<u>346,814</u>	<u>458,692</u>
Total Cash Receipts			
	<u>111,878</u>	<u>346,814</u>	<u>458,692</u>
Cash Disbursements:			
Salaries	83,599	257,837	341,436
Supplies	1,835	10,007	11,842
Remittances to State		3,230	3,230
Equipment		470	470
Contracts - Services	15,800	26,322	42,122
Travel	1,793	14,656	16,449
Other	21,531	65,622	87,153
	<u>124,558</u>	<u>378,144</u>	<u>502,702</u>
Total Cash Disbursements			
	<u>124,558</u>	<u>378,144</u>	<u>502,702</u>
Total Cash Receipts Over/(Under)Cash Disbursements	<u>(12,680)</u>	<u>(31,330)</u>	<u>(44,010)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		3,207	3,207
Advances-In	12,800	2,500	15,300
Transfers-Out	(992)	(2,215)	(3,207)
Advances-Out	(12,300)	(3,000)	(15,300)
	<u>(492)</u>	<u>492</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(492)</u>	<u>492</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(13,172)</u>	<u>(30,838)</u>	<u>(44,010)</u>
Fund Cash Balances, January 1	<u>27,402</u>	<u>78,318</u>	<u>105,720</u>
Fund Cash Balances, December 31	<u><u>\$14,230</u></u>	<u><u>\$47,480</u></u>	<u><u>\$61,710</u></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, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal awards	\$	\$237,479	\$237,479
Other Intergovernmental	96,331	60,093	156,424
Permits		3,150	3,150
Other fees	30,085	370	30,455
Licenses		8,270	8,270
Other receipts	9,335	1,191	10,526
	<u>135,751</u>	<u>310,553</u>	<u>446,304</u>
Total Cash Receipts			
	<u>135,751</u>	<u>310,553</u>	<u>446,304</u>
Cash Disbursements:			
Salaries	77,007	175,131	252,138
Supplies	2,132	10,661	12,793
Remittances to State		2,608	2,608
Equipment		3,606	3,606
Contracts - Services	14,902	29,747	44,649
Travel	1,159	14,305	15,464
Other	27,521	72,127	99,648
	<u>122,721</u>	<u>308,185</u>	<u>430,906</u>
Total Cash Disbursements			
	<u>122,721</u>	<u>308,185</u>	<u>430,906</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>13,030</u>	<u>2,368</u>	<u>15,398</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	4,810		4,810
Advances-In		827	827
Transfers-Out		(4,810)	(4,810)
Advances-Out	(827)		(827)
	<u>3,983</u>	<u>(3,983)</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>3,983</u>	<u>(3,983)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>17,013</u>	<u>(1,615)</u>	<u>15,398</u>
Fund Cash Balances, January 1	<u>10,389</u>	<u>79,933</u>	<u>90,322</u>
Fund Cash Balances, December 31	<u><u>\$27,402</u></u>	<u><u>\$78,318</u></u>	<u><u>\$105,720</u></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, 2001 AND 2000**

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 an appointed 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 Village and the chairman of the County Commissioners. The District's services include referrals to Bureau of Crippled Children Services Program, communicable disease investigations, immunization clinics, tuberculosis screening, various licenses and permits, including inspections, birth and death certificates 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 and Investments

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township 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 required 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 Township had the following significant Special Revenue Fund:

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

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

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. The District did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 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, 2001 AND 2000
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$105,466	\$111,878	\$6,412
Special Revenue	499,468	350,021	(149,447)
Total	\$604,934	\$461,899	(\$143,035)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$146,495	\$125,550	\$20,945
Special Revenue	521,647	380,359	141,288
Total	\$668,142	\$505,909	\$162,233

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$105,087	\$140,561	\$35,474
Special Revenue	305,061	310,553	5,492
Total	\$410,148	\$451,114	\$40,966

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$122,721	\$122,721	\$0
Special Revenue	308,362	312,995	(4,633)
Total	\$431,083	\$435,716	(\$4,633)

Accountability and Compliance

Contrary to Ohio law, the District did not obtain the Clerk's prior certification for some expenditures during 2001 and 2000.

3. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities comprising 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 in 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, 2001 AND 2000
(Continued)**

4. RETIREMENT SYSTEMS

The District's officials and employee belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for the period January 1, 2000 through through June 30, 2000 and for 2001. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participant's gross salaries. The District has paid all contributions required through December 31, 2001.

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- General liability and casualty;
- Public official's liability and
- Property



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS 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, 2001 and 2000, and have issued our report thereon dated April 19, 2002. 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 2001-61056-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated April 19, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 19, 2002.

District Board of Health
Monroe County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and the Board of Health, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long, sweeping underline.

Jim Petro
Auditor of State

April 19, 2002

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2001-61056-001

Noncompliance Citation

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate - This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time the certification is being completed, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board may authorize the drawing of a warrant. 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 District.

- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board.

18 percent of the expenditures tested in 2001 and 2000 were not certified by the Clerk until after the liability had been incurred. The commitments greater than \$1,000 were not subsequently approved by the Board within the aforementioned 30 day time period.

We recommend the District obtain prior certification of the availability of appropriated funds for proposed purchases before the liability is incurred. In cases where prior certification is not practicable, the use of a "then and now" certificate should be considered.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

MONROE COUNTY 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
JUNE 25, 2002**