



**Auditor of State
Betty Montgomery**

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To Members of the Board:

We have audited the accompanying financial statements of the Jefferson General Health District, Jefferson County, Ohio, (the District) as of and for the year ended December 31, 2003. 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 and reserves for encumbrances of the Jefferson General Health District, Jefferson County, Ohio, as of December 31, 2003, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

July 16, 2004

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal awards		\$540,630	\$540,630
Intergovernmental	\$81,380	26,233	107,613
Subdivisions	156,310		156,310
Levies	123,903		123,903
Permits	17,532		17,532
Other fees	55,234		55,234
Fines	205		205
Contractual services		36,000	36,000
Other receipts	28,012	99	28,111
	<u>462,576</u>	<u>602,962</u>	<u>1,065,538</u>
Total Cash Receipts			
	<u>462,576</u>	<u>602,962</u>	<u>1,065,538</u>
Cash Disbursements:			
Salaries	203,935	228,737	432,672
Supplies	6,887	44,494	51,381
Equipment		47,728	47,728
Contracts - Repair		48,172	48,172
Contracts - Services	1,648		1,648
Travel	9,426	5,420	14,846
Utilities and rentals		8,358	8,358
Advertising and printing		10,347	10,347
Public employee's retirement	44,562	41,293	85,855
Worker's compensation	5,478	5,930	11,408
Other	108,314	112,250	220,564
	<u>380,250</u>	<u>552,729</u>	<u>932,979</u>
Total Disbursements			
	<u>380,250</u>	<u>552,729</u>	<u>932,979</u>
Total Receipts Over/(Under) Disbursements	<u>82,326</u>	<u>50,233</u>	<u>132,559</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		537	537
Transfers-Out	(24,250)		(24,250)
Refunds	716		716
	<u>(23,534)</u>	<u>537</u>	<u>(22,997)</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(23,534)</u>	<u>537</u>	<u>(22,997)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	58,792	50,770	109,562
Fund Cash Balances, January 1	41,611	125,096	166,707
Fund Cash Balances, December 31	<u><u>\$100,403</u></u>	<u><u>\$175,866</u></u>	<u><u>\$276,269</u></u>
Reserves for Encumbrances, December 31	<u><u>\$6,808</u></u>	<u><u>\$56,897</u></u>	<u><u>\$63,705</u></u>

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

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES TYPES
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$150,752
Miscellaneous	1,703
	<u>152,455</u>
Operating Cash Disbursements:	
Personal Services	84,468
Fringe Benefits	17,596
Workers Comp	2,536
Supplies and Materials	619
Remittance to State	10,722
Travel	5,290
Other	49,824
	<u>171,055</u>
Total Operating Cash Disbursements	<u>171,055</u>
Operating Income/(Loss)	<u>(18,600)</u>
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	260
	<u>260</u>
Total Non-Operating Cash Receipts	<u>260</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(18,340)
Transfers-In	<u>23,713</u>
Net Receipts Over/(Under) Disbursements	5,373
Fund Cash Balances, January 1	<u>33,621</u>
Fund Cash Balances, December 31	<u>\$38,994</u>
Reserve for Encumbrances, December 31	<u>\$1,167</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, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Jefferson General Health District, Jefferson County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board and a Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issuing health-related licenses and permits.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

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

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract.

2. Special Revenue Funds

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

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

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Enterprise Funds

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

Solid Waste 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.

Food Service Fund – This fund receives licenses and permits relating to food service licenses. It accounts for the cost of providing various services including site inspection.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

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

A summary of 2003 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.

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 District's basis of accounting.

2. BUDGETARY ACTIVITY

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

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$463,292	\$463,292	\$0
Special Revenue	603,499	603,499	0
Enterprise	176,428	176,428	0
Total	\$1,243,219	\$1,243,219	\$0

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$437,400	\$411,307	\$26,093
Special Revenue	602,880	609,626	(6,746)
Enterprise	174,147	172,221	1,926
Total	\$1,214,427	\$1,193,154	\$21,273

Contrary to Ohio Revised Code § 5705.41(D), the District did not certify or record the amount against the applicable appropriation accounts for tested expenditures. The District did not utilize the certification exceptions for those expenditures lacking prior simultaneous certification.

3. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in intergovernmental receipts in the financial statements.

Brush Creek, Cross Creek, Island Creek, Knox, Mount Pleasant, Ross, Salem, Smithfield, Springfield, Steubenville, Warren, Wayne, and Wells Townships and the Villages of Adena, Amsterdam, Bergholz, Bloomingdale, Dillonvale, Empire, Irondale, Mingo Junction, Mount Pleasant, New Alexandria, Rayland, Richmond, Smithfield, Stratton, Tiltonsville, Wintersville and Yorkville comprise the District.

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

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

4. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

5. RISK MANAGEMENT

Risk Pool Membership

The District is covered as a 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 forth-seven 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 coverage's include comprehensive general liability, automobile liability, certain property insurance and public officials; error and omissions liability insurance.

Each member of 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 of not more than nine trustees. Only county commissioners of each 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 a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not determinable. The County's payment for insurance to CORSA in 2003 was \$436,084

The District also provides health, dental and vision insurance to its employees through the County's self insurance plan.

JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 20039

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Health:</i>			
Special Supplemental Food Program for Women, Infants and Children	41-1-001-1-CL-03 41-1-001-1-CL-04	10.557	\$212,949 <u>63,057</u>
Total U.S. Department of Agriculture			<u>276,006</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Health:</i>			
Maternal and Child Health Services Block Grant	41-1-001-1-AI-03 41-1-001-1-MC-04	93.994	77,814 <u>8,049</u>
Total Maternal and Child Health Services Block Grant			<u>85,863</u>
Immunization Action Plan	41-1-001-2-A2-03	93.778	26,346
Public Health Infrastructure Grant	41-1-001-2-BI-03 41-1-001-2-BI-04	93.283	76,055 <u>31,929</u>
Total Public Health Infrastructure Grant			<u>107,984</u>
Total U.S. Department of Health and Human Services			<u>220,193</u>
Total Federal Awards Expenditures			<u><u>\$496,199</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2003**

A. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on a cash basis of accounting.



Auditor of State Betty Montgomery

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

Jefferson General Health District
Jefferson County
500 Market Street -
Steubenville, Ohio 43952

To Members of the Board:

We have audited the accompanying financial statements of the Jefferson General Health District, Jefferson County, Ohio, (the District) as of and for the year ended December 31, 2003, and have issued our report thereon dated July 16, 2004. 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 tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect 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 and questioned costs as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated July 16, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the District's management in a separate letter dated July 16, 2004.

This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

July 16, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To Members of the Board:

Compliance

We have audited the compliance of Jefferson General Health District, Jefferson County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the General Health District, Jefferson County, Ohio, complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings as item 2003-002. We also noted a certain instance of non compliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated July 16, 2004.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

July 16, 2004

**JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants and Children (WIC) 10.557 and Public Health Infrastructure Grant 93.283
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2003-001

Ohio Revised Code 5705.41 (D) provides that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation 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 free from any previous encumbrance. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void; and no warrant shall be issued in payment of any amount due thereon. This section also provides two "exceptions" to the above requirement:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1,000 (\$3,000 effective April 7, 2003) the fiscal officer may authorize payment through "Then and Now" certificate, if such expenditure is otherwise lawful.

The District did not certify or record the amount against applicable appropriation accounts for 64% of the tested General Fund expenditures; 21% of the tested Special Revenue Funds expenditures and 34% of the tested Enterprise Funds expenditures. The District did not utilize the certificate exceptions, described above for those expenditures lacking prior or simultaneous certification.

Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances. The District should obtain approved purchase orders which include the fiscal officer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized prior to making a commitment, or use one of the approved exceptions as stated above.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2003-002
CFDA Title and Number	Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Grant CFDA 10.557
Federal Award Number / Year	41-1-001-1-CL-03
Federal Agency	US Department of Agriculture
Pass-Through Agency	Ohio Department of Health

Ohio Department of Health Grant Account Policies and Procedures (GAPP) Manual § 304.1 states that subgrantees are required to submit quarterly expenditure reports via GMIS within fifteen calendar days following the end of the report period unless otherwise indicated on the Request for Proposal. The information in the expenditure reports must reflect the subgrantees's accounting records and supportive documentation must be maintained by the subgrantee.

The District's quarterly and final expense reports did not agree to amounts recorded in the District's accounting records. The errors were attributed to payroll allocations. The computer system used by the District to process payroll has the capability to allocate any payroll expenditure to three funds only. However, certain District employees allocate their payroll across more than three funds during a single pay period based on the nature of the respective duties being performed. As a result, the District must reallocate payroll expenditure for these employees each pay period to accurately reflect payroll expenditures attributable to each fund. However, errors ranging up to \$29,145 were made during the reallocation process. As a result, the District's quarterly expenditure reports did not reconcile to the District's expenditure ledgers. The net unreconciled difference reported on the final expenditure report was \$9,400. When reports are not an accurate reflection of the financial activity of the grant, the District is in jeopardy of losing federal funding. This would have a negative impact on the District's financial position.

The District should establish procedures to ensure that reports are an accurate reflection of the grant financial activity and are reconciled to the District's accounting records.

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JEFFERSON GENERAL HEALTH DISTRICT
JEFFERSON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2003

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-61241-001	Ohio Revised Code, failure to certify expenditures	No	Reissued as a finding 2003-001



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**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
NOVEMBER 18, 2004**