



Mary Taylor, CPA
Auditor of State

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2006.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

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Mary Taylor, CPA
Auditor of State

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

To the Members of the Board:

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

Mary Taylor

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Auditor of State

September 12, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Monroe County, Ohio (the Health District), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Health District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Health District as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District Board of Health, Monroe County, Ohio, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2008, on our consideration of the Health District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

September 12, 2008

**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, 2007**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal Awards		\$346,465	\$346,465
Intergovernmental	\$131,205	51,347	182,552
Permits		13,665	13,665
Other Fees	27,938		27,938
Licenses		24,898	24,898
Donations		68	68
Other Receipts	8,353	15,843	24,196
Total Cash Receipts	<u>167,496</u>	<u>452,286</u>	<u>619,782</u>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	93,399	249,353	342,752
Supplies	11,728	8,794	20,522
Remittances to State		4,571	4,571
Equipment		926	926
Contracts - Services	14,966	26,202	41,168
Insurance	4,920	20,278	25,198
Travel	2,610	11,563	14,173
Medicare	1,098	3,511	4,609
OPERS	12,072	33,623	45,695
Worker's Compensation	1,028	2,570	3,598
Other	22,384	66,717	89,101
Total Cash Disbursements	<u>164,205</u>	<u>428,108</u>	<u>592,313</u>
Total Cash Receipts Over Disbursements	<u>3,291</u>	<u>24,178</u>	<u>27,469</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	35		35
Advances-In	29,000	35,000	64,000
Transfers-Out		(35)	(35)
Advances-Out	(35,000)	(29,000)	(64,000)
Other Financing Receipts	461	450	911
Total Other Financing Receipts/(Disbursements)	<u>(5,504)</u>	<u>6,415</u>	<u>911</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,213)	30,593	28,380
Fund Cash Balances, January 1	14,473	79,263	93,736
Fund Cash Balances, December 31	<u>\$12,260</u>	<u>\$109,856</u>	<u>\$122,116</u>
Reserves for Encumbrances, December 31	<u>\$12,299</u>	<u>\$8,891</u>	<u>\$21,190</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, 2006**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal Awards		\$315,047	\$315,047
Intergovernmental	\$131,417	76,054	207,471
Permits		3,615	3,615
Other Fees	47,106		47,106
Licenses		27,293	27,293
Donations		130	130
Other Receipts	11,686	11,112	22,798
Total Cash Receipts	<u>190,209</u>	<u>433,251</u>	<u>623,460</u>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	105,713	266,158	371,871
Supplies	7,819	8,240	16,059
Remittances to State		3,424	3,424
Equipment		8,148	8,148
Contracts - Services	10,833	20,159	30,992
Insurance	3,819	25,528	29,347
Travel	4,532	10,256	14,788
Medicare	1,077	3,742	4,819
Training		2,629	2,629
OPERS	14,376	36,718	51,094
Worker's Compensation	1,001	2,540	3,541
Communication		1,407	1,407
Other	22,210	65,535	87,745
Total Cash Disbursements	<u>171,380</u>	<u>454,484</u>	<u>625,864</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>18,829</u>	<u>(21,233)</u>	<u>(2,404)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		404	404
Advances-In	18,268	27,177	45,445
Transfers-Out		(404)	(404)
Advances-Out	(27,177)	(18,268)	(45,445)
Other Financing Receipts	(110)	944	834
Total Other Financing Receipts/(Disbursements)	<u>(9,019)</u>	<u>9,853</u>	<u>834</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>9,810</u>	<u>(11,380)</u>	<u>(1,570)</u>
Fund Cash Balances, January 1	<u>4,663</u>	<u>90,643</u>	<u>95,306</u>
Fund Cash Balances, December 31	<u><u>\$14,473</u></u>	<u><u>\$79,263</u></u>	<u><u>\$93,736</u></u>
Reserves for Encumbrances, December 31	<u><u>\$14,332</u></u>	<u><u>\$11,327</u></u>	<u><u>\$25,659</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, 2007 AND 2006**

1. Summary of Significant Accounting Policies

A. Description of the Entity

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

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Health District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

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

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2007 and 2006 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2007 and 2006, follows:

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. Budgetary Activity (Continued)

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$196,992	\$196,992	\$0
Special Revenue	487,736	487,736	0
Total	<u>\$684,728</u>	<u>\$684,728</u>	<u>\$0</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$219,702	\$211,504	\$8,198
Special Revenue	529,411	466,034	63,377
Total	<u>\$749,113</u>	<u>\$677,538</u>	<u>\$71,575</u>

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$208,367	\$208,367	\$0
Special Revenue	461,776	461,776	0
Total	<u>\$670,143</u>	<u>\$670,143</u>	<u>\$0</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$215,107	\$212,889	\$2,218
Special Revenue	509,772	484,483	25,289
Total	<u>\$724,879</u>	<u>\$697,372</u>	<u>\$27,507</u>

3. Intergovernmental Funding

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

4. Retirement System

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

**DISTRICT BOARD OF HEALTH
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. Retirement System (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Health District contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The Health District has paid all contributions required through December 31, 2007.

5. Risk Management

Commercial Insurance

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

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

6. Contingent Liabilities

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



Mary Taylor, CPA

Auditor of State

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

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

To the Members of the Board:

We have audited the financial statements of the District Board of Health, Monroe County, Ohio (the Health District), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 12, 2008, wherein we noted the Health District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Health District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Health District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Health District's internal control will not prevent or detect a material financial statement misstatement.

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

Compliance and Other Matters

As part of reasonably assuring whether the Health District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance or other matter that we reported to the Health District's management in a separate letter dated September 12, 2008.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 12, 2008



Mary Taylor, CPA
Auditor of State

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
OCTOBER 9, 2008**