



**Auditor of State
Betty Montgomery**

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

District Board of Health
Paulding County
101 W. Perry Street
Paulding, OH 45879-1403

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Paulding County, (the District) as of and for the years ended December 31, 2002 and 2001. 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 audits.

We conducted our audits 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 audits 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 audits provide 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 the District as of December 31, 2002 and 2001, 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 July 10, 2003 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 audits.

District Board of Health
Paulding County
Independent Accountants' Report
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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 10, 2003

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
State Funds	\$7,371	\$110,774	\$118,145
Levies	69,765		69,765
Licenses, Permits, and Fees	75,128	23,033	98,161
	<u>152,264</u>	<u>133,807</u>	<u>286,071</u>
Cash Disbursements:			
Salaries - Employees	94,342	95,106	189,448
Supplies	13,753	9,018	22,771
Remittances to State		2,594	2,594
Equipment Contract	1,500		1,500
Travel and Expenses	5,853	7,506	13,359
Public Employee's Retirement System	13,325	15,627	28,952
Worker's compensation	1,613		1,613
Other Expenses	28,447	2,755	31,202
	<u>158,833</u>	<u>132,606</u>	<u>291,439</u>
Total Cash Receipts Over/ (Under) Cash Disbursements	<u>(6,569)</u>	<u>1,201</u>	<u>(5,368)</u>
Other Financing Receipts/(Disbursements):			
Advances-In	3,000	3,631	6,631
Advances-Out	(3,631)	(3,000)	(6,631)
	<u>(631)</u>	<u>631</u>	<u></u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(7,200)	1,832	(5,368)
Fund Cash Balances, January 1	<u>40,819</u>	<u>17,876</u>	<u>58,695</u>
Fund Cash Balances, December 31	<u>\$33,619</u>	<u>\$19,708</u>	<u>\$53,327</u>

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

**DISTRICT BOARD OF HEALTH
PAULDING 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:			
State Funds	\$8,990	\$87,071	\$96,061
Levies	67,826		67,826
Licenses, Permits, and Fees	77,265	21,983	99,248
Total Cash Receipts	<u>154,081</u>	<u>109,054</u>	<u>263,135</u>
Cash Disbursements:			
Salaries - Employees	106,646	80,357	187,003
Supplies	13,629	2,866	16,495
Remittances to State		2,586	2,586
Equipment Contract	1,393		1,393
Travel and Expenses	3,105	3,551	6,656
Public Employee's Retirement System	13,541	12,717	26,258
Worker's compensation	1,231		1,231
Other Expenses	28,030	4,024	32,054
Contingency Fund	2,500		2,500
Total Cash Disbursements	<u>170,075</u>	<u>106,101</u>	<u>276,176</u>
Total Cash Receipts Over/ (Under) Cash Disbursements	<u>(15,994)</u>	<u>2,953</u>	<u>(13,041)</u>
Other Financing Receipts/(Disbursements):			
Advances-In		3,000	3,000
Advances-Out	(3,000)		(3,000)
Total Other Financing Receipts/(Disbursements)	<u>(3,000)</u>	<u>3,000</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(18,994)	5,953	(13,041)
Fund Cash Balances, January 1	<u>59,813</u>	<u>11,923</u>	<u>71,736</u>
Fund Cash Balances, December 31	<u>\$40,819</u>	<u>\$17,876</u>	<u>\$58,695</u>

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

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Paulding 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 created under § 3709.01 of the Ohio Revised Code. The District is directed by a five-member Board and a Health Commissioner. The appointed health commissioner is responsible for administering the laws relating to health and sanitation of the County. The District's services include recording of vital statistics, inspection of food service facilities, water wells, sewers, campgrounds, trailer parks, swimming pools, and they act upon various complaints made to the District Board of Health concerning the health and welfare of the County.

The District Board of Health has direct fiscal control over the funds as maintained by the Paulding County Treasurer with the Paulding County Auditor serving as fiscal officer.

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 required to be accounted for in another fund.

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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:

Special Health Fund – This fund provides various services for the community such as issuing permits (water and septic); licenses (food service and swimming pool); vaccines (flu and hepatitis), and certificates (birth and death).

Women, Infants and Children (WIC) Fund - This fund receives federal monies to provide supplemental feeding for pregnant women, infants, and children up to the age of five.

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 level of control, and appropriations may not exceed estimated resources. The 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.

3. Encumbrances

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

A summary of 2002 and 2001 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. Unpaid Vacation and Sick Leave

Employees are entitled to payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the District.

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$198,357	\$152,264	(\$46,093)
Special Revenue	177,818	133,807	(44,011)
Total	\$376,175	\$286,071	(\$90,104)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$170,500	\$158,833	\$11,667
Special Revenue	150,748	132,606	18,142
Total	\$321,248	\$291,439	\$29,809

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$186,752	\$154,081	(\$32,671)
Special Revenue	142,581	109,054	(33,527)
Total	\$329,333	\$263,135	(\$66,198)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$173,400	\$170,075	\$3,325
Special Revenue	113,000	106,101	6,899
Total	\$286,400	\$276,176	\$10,224

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Members of the Board. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statement as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

4. RETIREMENT SYSTEM

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2002 and 2001, members of OPERS contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries through December 31, 2002. The District has paid all contributions required through December 31, 2002.

5. RISK MANAGEMENT

The District has obtained commercial insurance for general liability.

The Paulding County Commissioners maintain building and contents insurance coverage for the District.



**Auditor of State
Betty Montgomery**

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

District Board of Health
Paulding County
101 W. Perry Street
Paulding, OH 45879-1403

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Paulding County, (the District) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 10, 2003. We conducted our audits in accordance with auditing standards generally accepted by 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated July 10, 2003.

Internal Control over Financial Reporting

In planning and performing our audits, 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated July 10, 2003.

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

This report is intended solely for the information and use of the audit committee, management, and the Board, 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 10, 2003



**Auditor of State
Betty Montgomery**

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DISTRICT BOARD OF HEALTH

PAULDING 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
AUGUST 19, 2003**