



**Auditor of State  
Betty Montgomery**



**DISTRICT BOARD OF HEALTH  
WASHINGTON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

District Board of Health  
Washington County  
342 Muskingum Drive  
Marietta, Ohio 45750

To the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Washington County, Ohio (the District), as of and for the years ended December 21, 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 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 District Board of Health, Washington County, 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 April 8, 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 audit.

District Board of Health  
Washington County  
Independent Accountants' Report  
Page 2

This report is intended solely for the information and use of the management, the Board of Health and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and are 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

April 8, 2003

**DISTRICT BOARD OF HEALTH  
WASHINGTON 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Federal awards	\$ 12,789	\$ 284,355	\$ 297,144
Intergovernmental	200,000	59,718	259,718
Inspection fees	17,525		17,525
Permits	40,075	4,043	44,118
Other fees	12,584	71,628	84,212
Licenses	11,275	37,714	48,989
Contractual services	25,033	87,535	112,568
Other receipts	12,062	11,037	23,099
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	331,343	556,030	887,373
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries	203,767	142,062	345,829
Supplies	3,757	4,552	8,309
Remittances to State		7,136	7,136
Equipment	1,079		1,079
Contracts - Services	1,200	3,410	4,610
Travel	14,954	6,999	21,953
Advertising and printing	282		282
Public employee's retirement	46,881		46,881
Worker's compensation	4,719		4,719
Unemployment compensation	64,017		64,017
Other		330,315	330,315
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	340,656	494,474	835,130
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(9,313)	61,556	52,243
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	44,401	59,259	103,660
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 35,088</u></b>	<b><u>\$ 120,815</u></b>	<b><u>\$ 155,903</u></b>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

**DISTRICT BOARD OF HEALTH  
WASHINGTON 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Federal awards	\$ 12,370	\$ 172,920	\$185,290
Intergovernmental	200,000	40,945	240,945
Inspection fees	21,540		21,540
Permits	39,250	2,463	41,713
Other fees	9,148	85,320	94,468
Licenses	9,950	38,541	48,491
Contractual services	6,806	135,198	142,004
Other receipts	58,522	12,312	70,834
<b>Total Cash Receipts</b>	<u>357,586</u>	<u>487,699</u>	<u>845,285</u>
<b>Cash Disbursements:</b>			
Salaries	189,713	135,565	325,278
Supplies	3,336	11,393	14,729
Remittances to State		6,886	6,886
Equipment	7,129		7,129
Contracts - Services	1,618	42,462	44,080
Travel	15,233	9,854	25,087
Vehicles		198	198
Public employee's retirement	46,207		46,207
Worker's compensation	6,590		6,590
Other	80,347	283,692	364,039
<b>Total Cash Disbursements</b>	<u>350,173</u>	<u>490,050</u>	<u>840,223</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>7,413</u>	<u>(2,351)</u>	<u>5,062</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		784	784
Transfers-Out	(784)		(784)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(784)</u>	<u>784</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>6,629</u>	<u>(1,567)</u>	<u>5,062</u>
<b>Fund Cash Balances, January 1</b>	<u>37,772</u>	<u>60,826</u>	<u>98,598</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 44,401</u>	<u>\$ 59,259</u>	<u>\$ 103,660</u>
<b>Reserves for Encumbrances, December 31</b>	<u>\$ 1,454</u>	<u>\$ 6,062</u>	<u>\$ 7,516</u>

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



**DISTRICT BOARD OF HEALTH  
WASHINGTON 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, Washington 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 general government services, including referral to Bureau of Crippled Children Services Program, communicable disease investigations, immunization clinics, inspections, public health nursing services, birth and death certificates and issues health-related licenses and permits.

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

**B. 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 that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

*Public Health Nursing Fund* - This fund receives monies from Immunization Clinics, Well Child Clinics, as well as a pediatric grant to provide nursing services to the County.

*Cardiovascular Health Fund* - This fund receives federal monies to inform the public about cardiovascular health.

**DISTRICT BOARD OF HEALTH  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(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 District 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 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. 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, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$331,343	\$331,343	\$0
Special Revenue	556,030	556,030	0
Total	\$887,373	\$887,373	\$0

**DISTRICT BOARD OF HEALTH  
WASHINGTON COUNTY**

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

**2. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$348,628	\$340,656	\$7,972
Special Revenue	565,331	494,474	70,857
Total	<u>\$913,959</u>	<u>\$835,130</u>	<u>\$78,829</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$357,586	\$357,586	\$0
Special Revenue	495,280	488,483	(6,797)
Total	<u>\$852,866</u>	<u>\$846,069</u>	<u>(\$6,797)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$364,492	\$352,411	\$12,081
Special Revenue	530,082	496,112	33,970
Total	<u>\$894,574</u>	<u>\$848,523</u>	<u>\$46,051</u>

**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.

**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 2002 and 2001, members of 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 employer contributions required through December 31, 2002.

**DISTRICT BOARD OF HEALTH  
WASHINGTON COUNTY**

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

**5. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

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

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**Auditor of State  
Betty Montgomery**

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

District Board of Health  
Washington County  
342 Muskingum Drive  
Marietta, Ohio 45750

To the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Washington County, Ohio (the District), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 8, 2003. 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 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 April 8, 2003.

**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 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 April 8, 2003.

District Board of Health  
Washington 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 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 8, 2003



**Auditor of State  
Betty Montgomery**

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**DISTRICT BOARD OF HEALTH**

**WASHINGTON 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 12, 2003**