



Mary Taylor, CPA  
Auditor of State



**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

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Mary Taylor, CPA  
Auditor of State

Carroll District Board of Health  
Carroll County  
PO Box 98  
301 Moody Ave, SW  
Carrollton, Ohio 44615

To the District Board of Health:

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*

**Mary Taylor, CPA**  
Auditor of State

April 29, 2009

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Carroll District Board of Health  
Carroll County  
PO Box 98  
301 Moody Ave, SW  
Carrollton, Ohio 44615

To the District Board of Health:

We have audited the accompanying financial statements of the Carroll District Board of Health, Carroll County, (the District) as of and for the years ended December 31, 2008 and 2007. 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 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 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 District's larger (i.e. major) funds separately. While the 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 Districts to reformat their statements. The 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, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2008 and 2007, 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 Carroll District Board of Health, Carroll County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The 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 April 29, 2009, 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 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.

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

**Mary Taylor, CPA**  
Auditor of State

April 29, 2009



**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

|  | <u>All Fund Types</u>  |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|------------------------|----------------------------|---|
|  | <u>General</u>         | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>  |                        |                            |   |
| Taxes  | \$165,664              |                            | \$165,664                               |
| Intergovernmental  | 8,078                  | 557,710                    | 565,788                                 |
| Licenses, Permits and Fines  |                        | 127,804                    | 127,804                                 |
| Charges for Services   | 16,140                 | 127,129                    | 143,269                                 |
| Miscellaneous  | 60,884                 | 30,413                     | 91,297                                  |
| <b>Total Cash Receipts</b>   | <u>250,766</u>         | <u>843,056</u>             | <u>1,093,822</u>                        |
| <b>Cash Disbursements:</b>   |                        |                            |   |
| Current Disbursements:   |                        |                            |   |
| Health:  |                        |                            |   |
| Salaries   | 30,481                 | 514,536                    | 545,017                                 |
| Supplies   | 657                    | 49,009                     | 49,666                                  |
| Equipment  | 217                    | 9,515                      | 9,732                                   |
| Contracts - Repairs  |                        | 17,118                     | 17,118                                  |
| Contracts - Services   |                        | 78,218                     | 78,218                                  |
| Rentals  | 22,088                 | 31,710                     | 53,798                                  |
| Travel / Dues  | 5,261                  | 17,483                     | 22,744                                  |
| Fringe Benefits  | 10,824                 | 184,402                    | 195,226                                 |
| Advertising  | 521                    | 2,905                      | 3,426                                   |
| Remittance to State  | 8,489                  | 12,076                     | 20,565                                  |
| Other  | 35,595                 | 85,680                     | 121,275                                 |
| <b>Total Disbursements</b>   | <u>114,133</u>         | <u>1,002,652</u>           | <u>1,116,785</u>                        |
| <b>Total Receipts Over/(Under) Disbursements</b>   | <u>136,633</u>         | <u>(159,596)</u>           | <u>(22,963)</u>                         |
| <b>Other Financing Receipts/(Disbursements):</b>   |                        |                            |   |
| Transfers-In   |                        | 128,032                    | 128,032                                 |
| Advances-In  | 21,583                 | 1,387                      | 22,970                                  |
| Transfers-Out  | (128,032)              |                            | (128,032)                               |
| Advances-Out   | (1,387)                | (21,583)                   | (22,970)                                |
| <b>Total Other Financing Receipts/(Disbursements)</b>  | <u>(107,836)</u>       | <u>107,836</u>             | <u>(0)</u>                              |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | 28,797                 | (51,760)                   | (22,963)                                |
| Fund Cash Balances, January 1  | 10,156                 | 125,782                    | 135,938                                 |
| <b>Fund Cash Balances, December 31</b>   | <u><u>\$38,953</u></u> | <u><u>\$74,022</u></u>     | <u><u>\$112,975</u></u>                 |
| Reserves for Encumbrances, December 31   | <u><u>\$1,800</u></u>  | <u><u>\$1,905</u></u>      | <u><u>\$3,705</u></u>                   |

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

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

|  | <u>All Fund Types</u>  |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|------------------------|----------------------------|---|
|  | <u>General</u>         | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>  |                        |                            |   |
| Taxes  | \$165,664              |                            | \$165,664                               |
| Intergovernmental  | 37,210                 | 569,313                    | 606,523                                 |
| Licenses, Permits and Fines  |                        | 108,550                    | 108,550                                 |
| Charges for Services   | 14,949                 | 142,257                    | 157,206                                 |
| Miscellaneous  | 14,879                 | 26,758                     | 41,637                                  |
| Total Cash Receipts  | <u>232,702</u>         | <u>846,878</u>             | <u>1,079,580</u>                        |
| <b>Cash Disbursements:</b>   |                        |                            |   |
| Current Disbursements:   |                        |                            |   |
| Health:  |                        |                            |   |
| Salaries   | 30,647                 | 494,548                    | 525,195                                 |
| Supplies   | 630                    | 48,655                     | 49,285                                  |
| Equipment  | 680                    | 19,018                     | 19,698                                  |
| Contracts - Repairs  |                        | 1,557                      | 1,557                                   |
| Contracts - Services   |                        | 110,110                    | 110,110                                 |
| Rentals  | 23,400                 | 21,893                     | 45,293                                  |
| Travel / Dues  | 6,568                  | 19,065                     | 25,633                                  |
| Fringe Benefits  | 11,515                 | 181,284                    | 192,799                                 |
| Advertising  | 361                    | 1,180                      | 1,541                                   |
| Remittance to State  | 8,142                  | 12,418                     | 20,560                                  |
| Other  | 24,936                 | 85,706                     | 110,642                                 |
| Total Disbursements  | <u>106,879</u>         | <u>995,434</u>             | <u>1,102,313</u>                        |
| Total Receipts Over/(Under) Disbursements  | <u>125,823</u>         | <u>(148,556)</u>           | <u>(22,733)</u>                         |
| <b>Other Financing Receipts/(Disbursements):</b>   |                        |                            |   |
| Transfers-In   |                        | 174,500                    | 174,500                                 |
| Advances-In  | 51,602                 | 21,583                     | 73,185                                  |
| Transfers-Out  | (174,500)              |                            | (174,500)                               |
| Advances-Out   | (21,583)               | (51,602)                   | (73,185)                                |
| Total Other Financing Receipts/(Disbursements)   | <u>(144,481)</u>       | <u>144,481</u>             | <u>0</u>                                |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | (18,658)               | (4,075)                    | (22,733)                                |
| Fund Cash Balances, January 1  | <u>28,812</u>          | <u>129,856</u>             | <u>158,668</u>                          |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$10,154</u></b> | <b><u>\$125,781</u></b>    | <b><u>\$135,935</u></b>                 |
| Reserves for Encumbrances, December 31   | <u>\$4,301</u>         | <u>\$15,336</u>            | <u>\$19,637</u>                         |

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

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**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 Carroll District Board of Health, Carroll County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include individual water systems, food service operations, trailer parks and recreation areas for public use, public health nursing services 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. 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 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. Deposits and Investments**

As required by the Ohio Revised Code, the Carroll County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the 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 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 District had the following significant Special Revenue Funds:

Public Health Nursing Fund - This fund receives subdivision tax money and fees to operate the nursing program within Carroll County.

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**E. Budgetary Process**

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

A summary of 2008 and 2007 budgetary activity appears in Note 2.

**F. Property, Plant, and Equipment**

The 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, 2008 and 2007 follows:

| 2008 Budgeted vs. Actual Receipts |                      |                    |           |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance  |
| General                           | \$150,171            | \$250,766          | \$100,595 |
| Special Revenue                   | 1,064,680            | 971,088            | (93,592)  |
| Total                             | \$1,214,851          | \$1,221,854        | \$7,003   |

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**2. BUDGETARY ACTIVITY – (Continued)**

| 2008 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                   |
|---|----------------------------|---------------------------|-------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance          |
| General   | \$125,801                  | \$243,965                 | (\$118,164)       |
| Special Revenue                                       | 1,041,016                  | 1,004,557                 | 36,459            |
| Total   | <u>\$1,166,817</u>         | <u>\$1,248,522</u>        | <u>(\$81,705)</u> |

| 2007 Budgeted vs. Actual Receipts |                      |                    |                  |
|-----------------------------------|----------------------|--------------------|------------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance         |
| General                           | \$155,944            | \$232,702          | \$76,758         |
| Special Revenue                   | 1,104,379            | 1,021,378          | (83,001)         |
| Total                             | <u>\$1,260,323</u>   | <u>\$1,254,080</u> | <u>(\$6,243)</u> |

| 2007 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                   |
|---|----------------------------|---------------------------|-------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance          |
| General   | \$155,213                  | \$285,680                 | (\$130,467)       |
| Special Revenue                                       | 1,058,429                  | 1,010,770                 | 47,659            |
| Total   | <u>\$1,213,642</u>         | <u>\$1,296,450</u>        | <u>(\$82,808)</u> |

Appropriations exceeded estimated resources in 2007 and 2008 in the Help Me Grow – Part C, Food Service, Water, Septic and STEP Funds.

Note: Appropriation Authority exceeds Budgetary Expenditures in the General Fund for 2008 and 2007 due to audit adjustments.

**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. The financial statements present these amounts as intergovernmental receipts.

**4. RETIREMENT SYSTEMS**

| <i>Retirement Rates</i> | <i>Year</i> | <i>Member<br/>Rate</i> | <i>Employer<br/>Rate</i> |
|-------------------------|-------------|------------------------|--------------------------|
| <i>PERS – Local</i>     | <i>2007</i> | <i>9.5%</i>            | <i>13.85%</i>            |
| <i>PERS – Local</i>     | <i>2008</i> | <i>10%</i>             | <i>14%</i>               |

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**4. RETIREMENT SYSTEMS – (Continued)**

The 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.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the District contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2008.

**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**

The District is not currently involved in litigation for which the District's legal Counsel anticipates a loss.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. 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*

Carroll District Board of Health  
Carroll County  
PO Box 98  
301 Moody Ave, SW  
Carrollton, Ohio 44615

To the District Board of Trustees:

We have audited the financial statements of the Carroll District Board of Health, Carroll County, (the District) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated April 29, 2009, wherein we noted the 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 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 District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the 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 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 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 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 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 District's management in a separate letter dated April 29, 2009.

We intend this report solely for the information and use of the management and District Board of Trustees. 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

April 29, 2009





**Mary Taylor, CPA**  
Auditor of State

**CARROLL COUNTY DISTRICT BOARD OF HEALTH**

**CARROLL 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  
JULY 14, 2009**