



**DISTRICT BOARD OF HEALTH
KNOX COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Knox County
17604 Coshocton Road
Mount Vernon, Ohio 43050

We have audited the accompanying financial statements of the District Board of Health, Knox County, Ohio (the District) as of and for the year ended December 31, 1999. 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 generally accepted auditing standards 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 described 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 cash, and combined fund cash balances of the District, as of December 31, 1999, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances, 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 February 17, 2000 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of 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. Such information has been subjected 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 management and the District Board of Health and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

February 17, 2000

**COMBINED STATEMENT OF CASH, CASH EQUIVALENTS
AND FUND CASH BALANCES - ALL FUND TYPES
AS OF DECEMBER 31, 1999**

Funds with fiscal agent (Knox County)	<u>\$610,889</u>
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CASH BALANCES BY FUND TYPE

Governmental Funds:	
General Fund	\$154,876
Special Revenue Funds	<u>456,013</u>
Total	<u>\$610,889</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Cash receipts:			
Taxes	\$283,613	\$0	\$283,613
Intergovernmental	74,276	675,846	750,122
Charges for services	90,983	765,719	856,702
Fines, licenses, and permits	0	203,540	203,540
Other receipts	776	23,959	24,735
Total cash receipts	<u>449,648</u>	<u>1,669,064</u>	<u>2,118,712</u>
Cash disbursements:			
Current:			
Salaries & Fringe Benefits	154,341	1,074,012	1,228,353
Supplies & Equipment	37,261	133,445	170,706
Contracts, Services, Repairs	5,675	96,074	101,749
Rentals	49,625	13,772	63,397
Travel & Expenses	5,509	41,685	47,194
State Remittances	9,093	14,303	23,396
Other disbursements	23,149	99,497	122,646
Total cash disbursements	<u>284,653</u>	<u>1,472,788</u>	<u>1,757,441</u>
Total receipts over/(under) cash disbursements	<u>164,995</u>	<u>196,276</u>	<u>361,271</u>
Other financing receipts/(disbursements):			
Transfers-in	40,389	119,670	160,059
Transfers-out	(119,670)	(40,389)	(160,059)
Total other financing receipts/(disbursements)	<u>(79,281)</u>	<u>79,281</u>	<u>0</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	<u>85,714</u>	<u>275,557</u>	<u>361,271</u>
Fund cash balances, January 1, 1999	<u>69,162</u>	<u>180,456</u>	<u>249,618</u>
Fund cash balances, December 31, 1999	<u><u>\$154,876</u></u>	<u><u>\$456,013</u></u>	<u><u>\$610,889</u></u>

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

**COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1999**

Fund Types/Funds	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable) <u>(Unfavorable)</u>
Governmental			
General	\$517,841	\$490,037	\$(27,804)
Special Revenue	<u>1,669,552</u>	<u>1,788,734</u>	<u>119,182</u>
Total (Memorandum Only)	<u><u>\$2,187,393</u></u>	<u><u>\$2,278,771</u></u>	<u><u>\$91,378</u></u>

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

**COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 1999**

<u>Fund Types/Funds</u>	<u>Prior Year Carryover Appropriations</u>	<u>1999 Appropriations</u>	<u>Total</u>	<u>Actual 1999 Disbursements</u>	<u>Encumbrances Outstanding At 12/31/99</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental							
General	\$2,722	\$424,007	\$426,729	\$404,323	\$8,929	\$413,252	\$13,477
Special Revenue	22,162	1,708,459	1,730,621	1,513,177	45,384	1,558,561	172,060
Total (Memorandum Only)	<u>\$24,884</u>	<u>\$2,132,466</u>	<u>\$2,157,350</u>	<u>\$1,917,500</u>	<u>\$54,313</u>	<u>\$1,971,813</u>	<u>\$185,537</u>

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(As Required by Various Statutes)**

A. DESCRIPTION OF THE ENTITY

The District Board of Health, Knox County, Ohio (the District), is authorized under Section 3709.07, Revised Code, and was established on March 4, 1983. The District operates under the guidance of a nine-member board, comprised of three members appointed by the City of Mount Vernon and six members appointed by the District Advisory Council of Knox County. The District provides the following services: communicable disease investigations, immunization clinics, tuberculosis screening, home visits, various types of licenses, permits and inspections and birth and death certificates.

Management believes the financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

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 rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

C. FUND ACCOUNTING

The District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds

To account for proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to disbursements for specified purposes.

D. BUDGETARY PROCESS

An appropriation measure is adopted by the District on or before the first Monday of April in each year for the period January 1 to December 31 of the following year. The appropriation measure, together with the itemized estimate of the sources of revenue available to the District for the next fiscal year, is submitted to the County Auditor, who in turn submits it to the County Budget Commission.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
(As Required by Various Statutes)

D. BUDGETARY PROCESS (Continued)

The County Budget Commission reviews the appropriation measure and may reduce any item in the appropriation measure, but may not increase any item or the aggregate amount of all items in the appropriation measure.

The appropriation measure, as amended by the County Budget Commission, controls expenditures by the District for the period January 1 to December 31 of the following year. The District may, by resolution, transfer funds from one item to another in the appropriation measure, reduce or increase any item, create new items, and make additional appropriations, subject to the availability of funds and to the approval of the County Budget Commission.

Encumbrances

The District uses the encumbrance method of accounting. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

E. PROPERTY, PLANT AND EQUIPMENT

Fixed assets acquired or constructed for general governmental service are recorded as expenditures. Depreciation is not recorded for these fixed assets.

F. ACCUMULATED UNPAID VACATION, PERSONAL AND SICK LEAVE

Accumulated unpaid vacation, personal and sick leave are not accrued under the cash basis of accounting described in Note 1. All leave will either be absorbed by time off from work, or within certain limitations, be paid to the employees. It is not practicable to determine the actuarial value of these benefits as of December 31, 1999.

G. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate basic financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. EQUITY IN POOLED CASH

As required by the Ohio Revised Code, the District's cash is held by the Knox County Treasurer, who acts as custodian for District monies. The District's assets are held in the county's cash and investment pool are valued at the County Treasurer's reported carrying amount. Each fund type's portion of this pool is displayed on the Combined Statement of Cash and Fund Cash Balances.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)

2. EQUITY IN POOLED CASH (Continued).

Deposits. At year-end, the carrying amount of the District Board of Health's deposits was \$610,889 and the bank balance was \$646,212. The entire bank balance was covered by federal depository insurance, by collateral held by the District, or by collateral held by a qualified third party trustee in the name of the Knox County as the fiscal agent.

3. INSURANCE

The District maintains comprehensive insurance coverage with private carriers for real property and building contents. Real property and contents are 80% coinsured.

4. EMPLOYEES RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost sharing, multiple employer public employee retirement system. Full-time employees of the District belong to PERS. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Employees contribute 8.5% of gross salary. The employer matching share is 13.55% of gross salary. The pension contribution requirement for the District for the fiscal year ended December 31, 1999 was \$217,385 which consisted of \$83,799 from employees and \$133,586 from the employer.

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**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999**

Federal Program	CFDA #	Pass-through Agency Awarding Number	1999 Disbursements
United States Department of Agriculture: Passed-through Ohio Department of Health: Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	42-1-01-F-CL-389	\$127,521
United States Department of Transportation: Passed-through Ohio Department of Public Safety: State and Community Highway Safety	20.600	1090.0	56,321
United States Department of Education: Passed-through Ohio Department of Health: Special Education - Grants for Infants and Families with Disabilities	84.181	42-1-01-F-AN-392	63,494
United States Department of Health and Human Services: Passed-through Ohio District 5 Area Agency on Aging: Medical Assistance Program	93.778	None	30,619
Passed-through Ohio Department of Health: Abstinence Education	93.235	42-1-01-F-CS-320	40,228
Immunization Grants	93.268	42-1-01-P-AZ-392	15,768
Preventive Health and Health Services Block Grant	93.991	42-1-01-P-BP-387	<u>10,829</u>
Total United States Department of Health and Human Services			<u>97,444</u>
Total Federal Financial Assistance			<u><u>\$344,780</u></u>

This schedule of federal awards expenditures has been prepared on the cash basis of accounting.

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

District Board of Health
Knox County
17604 Coshocton Road
Mount Vernon, Ohio 43050

We have audited the financial statements of the District Board of Health, Knox County, Ohio, (the District) as of and for the year ended December 31, 1999, and have issued our report thereon dated February 17, 2000. We conducted our audit in accordance with generally accepted auditing standards 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*.

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 another matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated February 17, 2000.

This report is intended for the information and use of management, District Board of Health, and 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.

JIM PETRO
Auditor of State

February 17, 2000



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

District Board of Health
Knox County
17604 Coshocton Road
Mount Vernon, Ohio 43050

Compliance

We have audited the compliance of the District Board of Health, Knox 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, 1999. 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 generally accepted auditing standards; 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 District's compliance with those requirements.

In our opinion, the District 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, 1999.

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 for the information and use of management, District Board of Health, and 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.

JIM PETRO
Auditor of State

February 17, 2000

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 1999

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
Un(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 non-compliance at the financial statement level (GAGAS)?	No
(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?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants, and Children 10.557 Special Education-Grants for Infants and Families with Disabilities 84.181
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A > \$300,000 Type B - all other programs
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



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DISTRICT BOARD OF HEALTH

KNOX 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
MARCH 21, 2000**