



**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Health
Darke County
300 Garst Avenue
Greenville, Ohio 45331

To the Board of Health:

We have audited the accompanying financial statements of the General Health District, Darke County, (the Health District) as of and for the years ended December 31, 2000 and 1999. 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 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 in Note 1, the Health 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 General Health District, Darke County as of December 31, 2000 and 1999, 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 March 26, 2001, 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 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.

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

Jim Petro
Auditor of State

March 26, 2001

**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal and State Grants	\$10,610	\$39,371	\$49,981
State Subsidy	17,955		17,955
Subdivisions	273,111		273,111
Permits	65,496	29,244	94,740
Fees	94,965	18,883	113,848
Licenses	3,994	62,607	66,601
Contract Services		30,000	30,000
Other Receipts	<u>14,326</u>	<u>956</u>	<u>15,282</u>
Total Cash Receipts	480,457	181,061	661,518
Cash Disbursements:			
Current:			
Remittance - State		13,796	13,796
Salaries	320,422	124,494	444,916
Supplies	6,754	2,342	9,096
Equipment	8,680	3,850	12,530
Contract Services	9,126		9,126
Travel and Expenses	15,780	16,304	32,084
Advertising and Printing	350		350
Public Employees Retirement System	38,988	11,931	50,919
Worker's compensation	8,030	1,990	10,020
Medicare and Insurance	41,522	13,804	55,326
Other Expenses	<u>62,967</u>	<u>16,768</u>	<u>79,735</u>
Total Cash Disbursements	<u>512,619</u>	<u>205,279</u>	<u>717,898</u>
Total Receipts Over/(Under) Disbursements	(32,162)	(24,218)	(56,380)
Other Financing Receipts/(Disbursements):			
Transfers-In		10,362	10,362
Transfers-Out	<u>(10,362)</u>		<u>(10,362)</u>
Total Other Financing Receipts/(Disbursements)	<u>(10,362)</u>	<u>10,362</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(42,524)	(13,856)	(56,380)
Fund Cash Balances, January 1	<u>112,131</u>	<u>126,259</u>	<u>238,390</u>
Fund Cash Balances, December 31	<u>\$69,607</u>	<u>\$112,403</u>	<u>\$182,010</u>
Reserve for Encumbrances, December 31	<u>\$3,194</u>	<u>\$1,595</u>	<u>\$4,789</u>

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

**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

**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>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal and State Grants	\$69,295	\$15,408	\$84,703
State Subsidy	18,635		18,635
Subdivisions	270,077		270,077
Permits	58,693	31,932	90,625
Fees	97,554	15,595	113,149
Licenses	3,776	61,609	65,385
Contract Services		30,000	30,000
Other Receipts	2,510	1,352	3,862
	<u>520,540</u>	<u>155,896</u>	<u>676,436</u>
Total Cash Receipts	520,540	155,896	676,436
Cash Disbursements:			
Current:			
Remittance - State		13,552	13,552
Salaries	330,842	79,233	410,075
Supplies	7,923	1,089	9,012
Equipment	13,348		13,348
Contract Services	6,023		6,023
Travel and Expenses	15,611	10,161	25,772
Advertising and Printing	964		964
Public Employees Retirement System	44,481	10,639	55,120
Worker's Compensation	7,562	1,693	9,255
Medicare and Insurance	36,828	9,379	46,207
Other Expenses	55,180	9,031	64,211
	<u>518,762</u>	<u>134,777</u>	<u>653,539</u>
Total Cash Disbursements	518,762	134,777	653,539
Total Receipts Over/(Under) Disbursements	1,778	21,119	22,897
Fund Cash Balances, January 1	110,353	105,140	215,493
Fund Cash Balances, December 31	<u>\$112,131</u>	<u>\$126,259</u>	<u>\$238,390</u>
Reserve for Encumbrances, December 31	<u>\$7,197</u>	<u>\$7,133</u>	<u>\$14,330</u>

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

**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The General Health District, Darke County, (the Health District) operates pursuant to Section 3709.07 of the Revised Code. It is responsible for health services in Darke County, including the townships, villages, and the City of Greenville. The Health District operates under the directions of a five member board. The County Auditor and County Treasurer are responsible for fiscal control of the resources of the Health District. Services provided by the Health District include: prevention and restriction of diseases, sanitation, removal of nuisances and vital statistics.

The Health District's management believes the financial statements included in this report represent all of the funds over which the members of the Board have the ability to exercise direct operating control.

B. Basis of Accounting

The General Health District, prepares its financial statements on a 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. Equity in Pooled Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Darke County Treasurer who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

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 Health District had the following significant Special Revenue Funds:

Preventive Health Grant Fund - This fund receives revenue from a grant to provide preventive health care to County residents.

**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Food Service Fund - This fund receives revenue from the sales of licenses to establishments who prepare food for public consumption.

Trailer Park Fund - This fund receives revenue from the licensing of Trailer Courts and Campgrounds.

Private Water Systems Fund - This fund receives revenue from well permits and the testing of water samples.

Solid Waste Fund - This fund receives the proceeds assessed by the County on the hauling of solid waste.

Swimming Pool Fund - This fund receives revenue from the monitoring of swimming pools open to the public.

Welcome Home Baby Fund - This fund receives revenue from a grant to provide nurse visits for first time mothers in the County.

Immunization Action Grant Fund - This fund receives revenue from a grant to provide immunization services to children up to two years of age in the County.

E. Budgetary Process

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by the first Monday of April of each year, for the period January 1 to December 31 of the following year.

1. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information become available. Appropriations may not exceed estimated resources.

2. Estimated Resources

The County Budget Commission certifies its actions to the Health District by September 1. As part of this certification, the Health District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Health District must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then services as the basis for the annual appropriation measure. Budget receipts as shown in Note 3 do not include January 1, 1999 or January 1, 2000 unencumbered fund balances. However, those fund balances are available for appropriations.

**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Health District is required to use the encumbrance method of accounting by virtue of Ohio Law. 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 become subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

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 cash 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 Health District.

2. EQUITY IN POOLED CASH AND INVESTMENTS

Darke County on behalf of the Health District maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Deposits and Investments	<u>\$182,010</u>	<u>\$238,390</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999, was as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$508,190	\$480,457	(\$27,733)
Special Revenue	206,287	191,423	(14,864)
Total	\$714,477	\$671,880	(\$42,597)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$613,123	\$526,175	\$86,948
Special Revenue	325,414	206,874	118,540
Total	\$938,537	\$733,049	\$205,488

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$516,956	\$520,540	\$3,584
Special Revenue	142,121	155,896	13,775
Total	\$659,077	\$676,436	\$17,359

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$622,759	\$525,959	\$96,800
Special Revenue	245,737	141,910	103,827
Total	\$868,496	\$667,869	\$200,627

**DISTRICT BOARD OF HEALTH
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. RETIREMENT SYSTEMS

The Health District's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Health District contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants gross salaries for July 2000 through December 2000. The Health District has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The Health District is a member of the Public Entities Pool of Ohio, which was formed in April 1987, for the primary purpose of providing liability insurance for bodily injury, personal injury, and professional liability coverage to its members.

The Health District provides employee medical benefits through a self-insurance program maintained by Darke County. The County has obtained Harrington Benefits Service, Inc. as third party administrator to review claims and help the County secure stop-loss coverage. Responsibility for monitoring the self-insurance program and adjusting employee contribution rates is the responsibility of Darke County.

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

Board of Health
Darke County
300 Garst Avenue
Greenville, Ohio 45331

To the Board of Health:

We have audited the accompanying financial statements of General Health District, Darke County, (the Health District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 26, 2001. 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 Health 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 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 Health 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 Health District in a separate letter dated March 26, 2001.

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

This report is intended for the information and use of the management and Board of Health, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 26, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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DARKE COUNTY DISTRICT BOARD OF HEALTH

DARKE 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
APRIL 24, 2001**