



**DISTRICT BOARD OF HEALTH
MORROW COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
MORROW COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Morrow County
48 E. High Street
Mount Gilead, Ohio 43338

We have audited the accompanying financial statements of the Morrow County District Board of Health, Morrow County, Ohio (the District) as of and for the years ended December 31, 2000 and 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 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 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 fund cash balances and reserve for encumbrances of the District as of December 31, 2000 and December 31, 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 July 6, 2001 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.

This report is intended solely for the information and use of management, the District 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

July 6, 2001

**BOARD OF HEALTH
MORROW 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$500,767	\$0	\$500,767
Intergovernmental Receipts	74,174	137,402	211,576
Fines, Licenses, Permits, & Fees	142,202	75,807	218,009
Contractual Services	70,461	0	70,461
Reimbursements	85,367	2,523	87,890
Miscellaneous	33,027	25,068	58,095
	<u>905,998</u>	<u>240,800</u>	<u>1,146,798</u>
Cash Disbursements:			
Current:			
Salary & Fringe Benefits	683,582	142,689	826,271
Supplies & Equipment	173,199	15,017	188,216
Contracts, Services, Repairs	21,756	15,725	37,481
Advertising & Printing	9,342	4,524	13,866
Travel & Expenses	16,323	8,525	24,848
Other Disbursements	61,223	31,329	92,552
	<u>965,425</u>	<u>217,809</u>	<u>1,183,234</u>
Total Receipts Over/(Under) Disbursements	(59,427)	22,991	(36,436)
Fund Cash Balances January 1, 2000	<u>590,410</u>	<u>100,537</u>	<u>690,947</u>
Fund Cash Balances, December 31, 2000	<u>\$530,983</u>	<u>\$123,528</u>	<u>\$654,511</u>
Reserves for Encumbrances, December 31, 2000	<u>\$26,532</u>	<u>\$7,507</u>	<u>\$34,039</u>

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

**BOARD OF HEALTH
MORROW 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$530,306	\$0	\$530,306
Intergovernmental Receipts	38,854	168,458	207,312
Fines, Licenses, Permits, & Fees	165,372	79,023	244,395
Contractual Services	40,657	0	40,657
Reimbursements	119,237	45,883	165,120
Miscellaneous	16,976	973	17,949
	<u>911,402</u>	<u>294,337</u>	<u>1,205,739</u>
Cash Disbursements:			
Current:			
Salaries & Fringe Benefits	649,716	160,274	809,990
Supplies & Equipment	36,555	15,637	52,192
Contract, Services, Repairs	17,983	7,094	25,077
Advertising & Printing	7,810	4,792	12,602
Travel & Expenses	15,435	11,811	27,246
Other Disbursements	71,630	59,439	131,069
	<u>799,129</u>	<u>259,047</u>	<u>1,058,176</u>
Total Receipts Over/(Under) Disbursements	112,273	35,290	147,563
Fund Cash Balances January 1, 1999	<u>478,137</u>	<u>65,247</u>	<u>543,384</u>
Fund Cash Balances, December 31, 1999	<u>\$590,410</u>	<u>\$100,537</u>	<u>\$690,947</u>
Reserves for Encumbrances, December 31, 1999	<u>\$52,853</u>	<u>\$14,935</u>	<u>\$67,788</u>

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

**DISTRICT BOARD OF HEALTH
MORROW COUNTY**

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

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

A. DESCRIPTION OF THE ENTITY

The District Board of Health, Morrow County, Ohio (the District), is authorized under Section 3709.07, Revised Code. The District operates under the guidance of a five-member board. 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.

By law, the Morrow County Auditor is the fiscal agent of the District and the Morrow County Treasurer is the custodian of the District's funds.

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. 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. 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.

**DISTRICT BOARD OF HEALTH
MORROW COUNTY**

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

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

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.

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 re-appropriated.

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, 2000.

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.

**DISTRICT BOARD OF HEALTH
MORROW COUNTY**

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

2. EQUITY IN POOLED CASH

As required by the Ohio Revised Code, the District's cash is held by the Morrow 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.

Deposits. At year-end, the carrying amount of the District Board of Health's deposits at December 31, 2000 was \$654,511 and at December 31, 1999 was \$690,947. Deposits are either (1) insured by Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$918,315	\$905,998	(\$12,317)
Special Revenue	261,145	240,800	(20,345)
Total	<u>\$1,179,460</u>	<u>\$1,146,798</u>	<u>(\$32,662)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,039,285	\$991,957	\$47,328
Special Revenue	283,912	225,316	58,596
Total	<u>\$1,323,197</u>	<u>\$1,217,273</u>	<u>\$105,924</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$879,315	\$911,402	\$32,087
Special Revenue	281,851	294,337	12,486
Total	<u>\$1,161,166</u>	<u>\$1,205,739</u>	<u>\$44,573</u>

**DISTRICT BOARD OF HEALTH
MORROW COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$884,884	\$851,982	\$32,902
Special Revenue	289,320	273,982	15,338
Total	<u>\$1,174,204</u>	<u>\$1,125,964</u>	<u>\$48,240</u>

4. INSURANCE

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

5. EMPLOYEES RETIREMENT SYSTEM

All 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. In 1999, the District contributed an amount equal to 13.55% of participants' gross salaries. In 2000, the average employers contribution rate was 10.84% of participants' gross salaries. The District has paid all contributions required through December 31, 2000.



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

District Board Of Health
Morrow County
48 E. High Street
Mount Gilead, Ohio 43338

We have audited the financial statements of the Morrow County District Board of Health, Morrow County, Ohio, (the District) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated July 6, 2001. 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.

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 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*.

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 a 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 July 6, 2001.

District Board of Health
Morrow County
Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of management and the District 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

July 6, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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MORROW COUNTY DISTRICT BOARD OF HEALTH

MORROW 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 14, 2001**