



**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Ashland County District Board of Health
Ashland County
110 Cottage Street
Ashland, Ohio 44805

To the Board of Trustees:

We have audited the accompanying financial statements of Ashland County District Board of Health, Ashland County, Ohio, (the District) as of and for the years ended December 31, 2000 and 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 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 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 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 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 February 14, 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 on considering the results of our audits.

Ashland County District Board of Health
Ashland County
Report of Independent Accountants
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This report is intended solely for the information and use of the management, the Board of Trustees 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

February 14, 2001

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND 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:			
Tax levies	\$88,399		\$88,399
State funds	10,141		10,141
Federal funds		\$157,037	157,037
Subdivisions	22,000		22,000
Permits	52,008		52,008
Fees	3,962	104,757	108,719
Licenses	22,786		22,786
Reimbursements	4,170		4,170
Other Receipts	69,366	225	69,591
	<u>272,832</u>	<u>262,019</u>	<u>534,851</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	190,328	71,159	261,487
Remittance - State		5,900	5,900
Supplies	6,184		6,184
Grant expenses		158,314	158,314
Equipment	3,440		3,440
Contracts - repairs	185		185
Contracts - services	2,969	159	3,128
Travel expenses	10,912	4,104	15,016
Advertising and printing	567		567
Public employee's retirement	23,254	8,686	31,940
Worker's compensation	973	389	1,362
Other expenses	50,520	19,807	70,327
	<u>289,332</u>	<u>268,518</u>	<u>557,850</u>
Total Cash Disbursements			
Total Cash Receipts (Under) Cash Disbursements	<u>(16,500)</u>	<u>(6,499)</u>	<u>(22,999)</u>
Fund Cash Balances, January 1	<u>118,261</u>	<u>46,836</u>	<u>165,097</u>
Fund Cash Balances, December 31	<u>\$101,761</u>	<u>\$40,337</u>	<u>\$142,098</u>
Reserve 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.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND 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:			
Tax levies	\$87,196	\$0	\$87,196
State funds	9,966		9,966
Federal funds		178,969	178,969
Subdivisions	22,000		22,000
Inspection fees	470		470
Permits	48,860		48,860
Fees	6,041	100,512	106,553
Licenses	22,767		22,767
Reimbursements	110	290	400
Other Receipts	102,900	43	102,943
	<u>300,310</u>	<u>279,814</u>	<u>580,124</u>
Total Cash Receipts			
	<u>300,310</u>	<u>279,814</u>	<u>580,124</u>
Cash Disbursements:			
Salaries	181,059	68,693	249,752
Remittance - State		5,620	5,620
Supplies	5,075		5,075
Grant expenses		169,813	169,813
Equipment	1,970		1,970
Contracts - services	2,645		2,645
Travel expenses	11,112	4,752	15,864
Advertising and printing	695		695
Public employee's retirement	24,277	9,077	33,354
Worker's compensation	4,440	1,563	6,003
Other expenses	56,653	26,904	83,557
	<u>287,926</u>	<u>286,422</u>	<u>574,348</u>
Total Cash Disbursements			
	<u>287,926</u>	<u>286,422</u>	<u>574,348</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>12,384</u>	<u>(6,608)</u>	<u>5,776</u>
Fund Cash Balances, January 1	<u>105,877</u>	<u>53,444</u>	<u>159,321</u>
Fund Cash Balances, December 31	<u><u>\$118,261</u></u>	<u><u>\$46,836</u></u>	<u><u>\$165,097</u></u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ashland County District Board of Health (the District) is a body politic and corporate 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 publicly-elected, five-member Board of Trustees. An appointed Health Commissioner is responsible for administering the laws relating to health and sanitation in the County. Services provided by the Health Department include recording of vital statistics, inspecting food service facilities, water wells, sewers, and public health nursing services, and acting upon various complaints made to the department concerning the health and welfare of the County.

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 they are earned. Disbursements are recognized when they are paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

As required by Ohio Revised Code, the District's cash is held and invested by the Ashland County Treasurer, who is the custodian for District monies. 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 required by law or contract to be restricted.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Fund Accounting - (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

Women, Infants and Children Fund - Receives federal monies to provide nutrition education and nutritious food packages to women, infants and children.

E. Budgetary Process

Although the District is not subject to budgetary provisions of the Ohio Revised Code, 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 the 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. Budgetary expenditures may not exceed appropriations at the fund and function level of control and appropriations may not exceed estimated resources. The District may, by resolution, transfer funds from one line 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 reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

Encumbrances are purchase orders, contracts and other commitments for the expenditure of monies that are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain with Board policy.

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 capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Unpaid Vacation and Sick Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Ashland County Auditor acts as fiscal agent for the District, and the Ashland County Treasurer maintains a cash pool used by all County funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash on deposit with the Ashland County Treasurer at December 31 follows:

	<u>2000</u>	<u>1999</u>
Total demand deposits	\$142,098	\$165,097

Deposits:

Deposits were either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$276,891	\$272,832	(\$4,059)
Special Revenue	279,836	262,019	(17,817)
Total	\$556,727	\$534,851	(\$21,876)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$298,307	\$289,332	\$8,975
Special Revenue	301,971	268,518	33,453
Total	\$600,278	\$557,850	\$42,428

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY**

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

3. BUDGETARY ACTIVITY - (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$278,704	\$300,310	\$21,606
Special Revenue	280,200	279,814	(386)
Total	\$558,904	\$580,124	\$21,220

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$290,044	\$287,926	\$2,118
Special Revenue	309,766	286,422	23,344
Total	\$599,810	\$574,348	\$25,462

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the financial statements as tax levies receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY**

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

5. RETIREMENT SYSTEMS

The District's 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 post retirement 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 District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

Comprehensive property and general liability
Comprehensive crime coverage

The District also provides health insurance coverage through a private carrier to full-time employees.

7. 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.

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

Ashland County District Board of Health
Ashland County
110 Cottage Street
Ashland, Ohio 44805

To the Board of Trustees:

We have audited the financial statements of Ashland County District Board of Health, Ashland County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 14, 2001. We conducted our audits 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 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated February 14, 2001.

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 certain matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the District in a separate letter dated February 14, 2001.

Ashland County District Board of Health
Ashland 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 management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 14, 2001



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JIM PETRO, AUDITOR OF STATE

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ASHLAND COUNTY DISTRICT BOARD OF HEALTH

ASHLAND 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 3, 2001**