



**DISTRICT BOARD OF HEALTH
MEIGS COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Meigs County
112 ½ Mulberry Heights
Pomeroy, Ohio 45769

To the Board of Health Members:

We have audited the accompanying financial statement of the District Board of Health, Meigs County, Ohio, (the District) as of and for the year ended December 31, 1999. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement 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 discussed in Note 1, the District prepares its financial statement 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 statement referred to above presents fairly, in all material respects, the combined fund cash balances of the District Board of Health, Meigs County, as of December 31, 1999, and its combined cash receipts and disbursements 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 July 18, 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

July 18, 2000

**DISTRICT BOARD OF HEALTH
 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:			
Taxes	\$198,044	\$	\$198,044
Charges for Services	63,998		63,998
Fees, Licenses and Permits	15,126	15,574	30,700
Intergovernmental Receipts	28,960	369,786	398,746
Other Revenue	1,928	148	2,076
	<u>308,056</u>	<u>385,508</u>	<u>693,564</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries - Employees	172,863	231,825	404,688
Supplies	16,653		16,653
Equipment	2,097		2,097
Contracts - Service / Repair	33,174		33,174
Travel	4,810		4,810
Advertising and Printing	1,289		1,289
Public Employees Retirement	24,955	15,613	40,568
Workers Compensation	4,169	1,307	5,476
Medicare	911	1,907	2,818
Project Fund Disbursements		157,154	157,154
Other Expenses	59,525	7,529	67,054
	<u>320,446</u>	<u>415,335</u>	<u>735,781</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(12,390)</u>	<u>(29,827)</u>	<u>(42,217)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		700	700
Advances-In		2,520	2,520
Transfers-Out	(700)		(700)
Advances-Out	(2,520)		(2,520)
Other Financing Sources	19,251		19,251
	<u>16,031</u>	<u>3,220</u>	<u>19,251</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,641	(26,607)	(22,966)
Fund Cash Balances, January 1	<u>34,717</u>	<u>101,972</u>	<u>136,689</u>
Fund Cash Balances, December 31	<u>\$38,358</u>	<u>\$75,365</u>	<u>\$113,723</u>

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

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**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Meigs County, (the District) is a general health district as defined by Ohio Revised Code § 3709.07. The District is directed by an appointed five-member Board and an appointed Health Commissioner. The District provides general government services, including inspection and licensing of food establishments, inspection of sewer and water systems, inspection and licensing of solid waste facilities, tuberculosis screening, inspection of trailer parks, birth and death certificates, administration of public health nursing programs and other related services.

The District's management believes this financial statement presents all activities for which the Board of Health is financially accountable.

B. Basis of Accounting

The financial statement follows 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 earned, and disbursements are recognized when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Meigs County Auditor serves as fiscal agent for the District, and the investment of County funds, including District funds, is determined by the Meigs County Treasurer under the direction of the Meigs County Investment Advisory Committee. The District maintains no control over the investment of its funds. The disclosure of the County's deposits and investments at December 31, 1999, is made in the County's annual financial report for the year ended December 31, 1999.

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 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 District had the following significant Special Revenue Funds:

Women, Infants and Children (WIC) Fund - This fund receives money to provide supplemental nutritious food and nutrition education as an adjunct to good health care to low-income persons in critical periods of growth and development.

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Maternal Child Health Program (MCHP) Fund - This fund receives money to provide supplemental income to low-income persons for child health care.

Wellness Block Grant Fund - This fund receives money to promote wellness through education.

E. Budgetary Process

An appropriation measure is adopted by the District Board of Health on or before the first Monday in January in each year for the period January 1 to December 31 of that year. The appropriation measure, together with an itemized estimate of the sources of revenue available to the District Board of Health 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 Board of Health for the period of January 1 to December 31 of the following year. The District Board of Health 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.

The District Board of Health utilizes the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the disbursement 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 further appropriations. The encumbered appropriation balance is canceled and reappropriated in the succeeding year.

A summary of 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 statement.

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 cash basis of accounting used by the District.

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investments pool with Meigs County. The District also maintains a checking account. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of the checking account, cash and investments at December 31, 1999, was \$113,723.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 1999 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$319,303	\$327,307	\$8,004
Special Revenue	378,393	388,728	10,335
Total	\$697,696	\$716,035	\$18,339

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$335,366	\$323,666	\$11,700
Special Revenue	460,740	415,335	45,405
Total	\$796,106	\$739,001	\$57,105

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. 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 accompanying financial statement as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

5. RETIREMENT SYSTEM

The District's full-time and part-time 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 health care, 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 1999, employees contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 1999, the District had paid all of the required contribution amounts.

6. RISK MANAGEMENT

The District has obtained commercial insurance through the Public Entities Pool of Ohio (A Local Government Risk Pool) which covers a wide variety of risks.

The Meigs County Commissioners maintain comprehensive insurance coverage with private carriers for real property and building contents.

The District employees also receive health/medical insurance benefits provided to Meigs County employees, which is provided through the Meigs County Commissioners.



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

District Board of Health
Meigs County
112 ½ Mulberry Heights
Pomeroy, Ohio 45769

To the Board of Health Members:

We have audited the accompanying financial statement of the District Board of Health, Meigs County, Ohio, (the District) as of and for the year ended December 31, 1999, and have issued our report thereon dated July 18, 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 statement is 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated July 18, 2000.

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 statement 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 18, 2000.

District Board of Health
Meigs County
Report of Independent Accountants 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 the management and the Board of Health members, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

July 18, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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DISTRICT BOARD OF HEALTH

MEIGS 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 22, 2000**