



**DISTRICT BOARD OF HEALTH
PERRY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Perry County
121 West Brown Street
P. O. Box 230
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of the District Board of Health, Perry County, Ohio, (the Board) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Board'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 discussed in Note 1, the Board 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 Board of Health, Perry County, Ohio as of December 31, 1999 and 1998, 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 August 10, 2000, on our consideration of the Board'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 the management, 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.

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

Jim Petro
Auditor of State

August 10, 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$ 127,485	\$	\$ 127,485
Intergovernmental Receipts	106,806	125,287	232,093
Fees	83,737		83,737
Charges for Services	31,151		31,151
Total Cash Receipts	<u>349,179</u>	<u>125,287</u>	<u>474,466</u>
Cash Disbursements:			
Current:			
Salaries	274,016	34,464	308,480
Supplies	9,013	6,454	15,467
Equipment	1,540	1,360	2,900
Contracts - Repair and Services	2,602	23,824	26,426
Utilities	3,961	91	4,052
Advertising and Printing	816	3,459	4,275
Travel	10,806	2,719	13,525
Public Employee's Retirement	35,866	3,764	39,630
Workers Compensation and Medicare	11,654	340	11,994
Fringe Benefits	45,336	250	45,586
Training, Education and Community Relations	2,975	2,629	5,604
State Remittances	65,463	739	66,202
Other	9,026	6,154	15,180
Total Cash Disbursements	<u>473,074</u>	<u>86,247</u>	<u>559,321</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(123,895)</u>	<u>39,040</u>	<u>(84,855)</u>
Other Financing Receipts			
Advances from Perry County	29,109		29,109
Total Other Financing Receipts	<u>29,109</u>	<u>0</u>	<u>29,109</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>(94,786)</u>	<u>39,040</u>	<u>(55,746)</u>
Fund Cash Balances, January 1	<u>36,874</u>	<u>33,513</u>	<u>70,387</u>
Fund Cash Balances, December 31	<u><u>\$ (57,912)</u></u>	<u><u>\$ 72,553</u></u>	<u><u>\$ 14,641</u></u>
Reserves for Encumbrances, December 31	<u><u>\$ 9,591</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 9,591</u></u>

**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, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$ 121,067	\$	\$ 121,067
Intergovernmental Receipts	248,130	101,448	349,578
Fees	90,498		90,498
Charges for Services	42,896		42,896
 Total Cash Receipts	 <u>502,591</u>	 <u>101,448</u>	 <u>604,039</u>
Cash Disbursements:			
Current:			
Salaries	262,822	15,718	278,540
Supplies	13,351	15,823	29,174
Equipment	4,428		4,428
Contracts - Services and Repairs	117,550	26,035	143,585
Utilities	3,841		3,841
Advertising and Printing	1,899	3,977	5,876
Travel	12,445	1,364	13,809
Public Employee's Retirement	37,426	1,205	38,631
Fringe Benefits	40,616	250	40,866
Workers Compensation and Medicare	6,945	96	7,041
Training, Education and Community Relations	32,482	9,881	42,363
State Remittances	65,636	7,358	72,994
Other		4,773	4,773
 Total Cash Disbursements	 <u>599,441</u>	 <u>86,480</u>	 <u>685,921</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	 <u>(96,850)</u>	 <u>14,968</u>	 <u>(81,882)</u>
 Excess of Cash Receipts Over/(Under) Cash Disbursements	 (96,850)	 14,968	 (81,882)
 Fund Cash Balances, January 1	 <u>133,724</u>	 <u>18,545</u>	 <u>152,269</u>
 Fund Cash Balances, December 31	 <u>\$ 36,874</u>	 <u>\$ 33,513</u>	 <u>\$ 70,387</u>
 Reserves for Encumbrances, December 31	 <u>\$ 6,386</u>	 <u>\$ 1,032</u>	 <u>\$ 7,418</u>

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

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Perry County, Ohio, (the Board) is a general health district as defined by Ohio Revised Code § 3709.07. The Board is directed by an appointed five-member Board and a Health Commissioner. The Board provides general governmental 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 Board of Health's management believes these financial statements present all activities for which the Board of Health 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 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. Cash and Investments

The Perry County Auditor serves as fiscal agent for the Board. The investment of County funds, including Board of Health funds, is determined by the Perry County Treasurer. The Board maintains no control over the investment of its funds. The disclosure of the County's deposits and investments at December 31, 1999 and December 31, 1998, are made in the County's Annual Financial Report for the years ended December 31, 1999 and December 31, 1998.

D. Fund Accounting

The Board uses fund accounting to segregate cash and investments that are restricted as to use. The Board 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 that are restricted to expenditure for specific purposes. The Board had the following significant Special Revenue Funds:

Cardiovascular Disease Risk Reduction Grant Fund - This fund receives grant money for the awareness of reducing blood pressure and cholesterol.

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Preventive Health and Health Services Block Grant Fund - This fund receives grant money for the use of promoting physical activity.

Abstinence Education Grant Fund - This fund receives grant money for the use in reducing teen sexuality and pregnancy.

Community Development Grant Fund - This fund receives grant money to survey area residents for assessment of health needs in the county.

Welcome Home Grant Fund - The fund receives grant money to instruct new mothers about the care of their newborn babies.

Immunization Fund - This fund receives grant money for the contract of supplies and a nurse to administer immunizations.

Environmental Protection Agency Grant - This fund receives grant money to help teach school-age children the environmental laws and who to contact if they see a violation occurring.

Child and Family Health Services Grant - This fund receives grant money to provide public health services to the maternal and child health population.

March of Dimes Grant Fund - This grant receives grant money to infant mortality and morbidity.

E. Budgetary Process

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 Board for the period January 1 to December 31 of the following year. The Board 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 Board 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 carried forward to the succeeding year and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 2.

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Board.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998, follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$420,700	\$378,288	(\$42,412)
Special Revenue	79,550	125,287	45,737
Total	\$500,250	\$503,575	\$3,325

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$473,500	\$482,665	(\$9,165)
Special Revenue	82,113	86,247	(4,134)
Total	\$555,613	\$568,912	(\$13,299)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$411,385	\$502,591	\$91,206
Special Revenue	41,250	101,448	60,198
Total	\$452,635	\$604,039	\$151,404

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$544,200	\$605,827	(\$61,627)
Special Revenue	60,650	87,512	(26,862)
Total	\$604,850	\$693,339	(\$88,489)

3. 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 statements as Intergovernmental Receipts. Payments are due to Perry 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 County.

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

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

4. RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. 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.

Contribution rates are also prescribed by the Ohio Revised Code. The Board's PERS members contributed 8.5% of their gross salaries. The Board contributed an amount equal to 13.55% of participants' gross salaries. The Board has paid all contributions required through December 31, 1999.



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

Perry County District Board of Health
Perry County
121 West Brown Street
P. O. Box 230
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of the District Board of Health, Perry County, Ohio, (the Board) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 10, 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 Board'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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Board in a separate letter dated August 10, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Board'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 Board in a separate letter dated August 10, 2000.

This report is intended for the information and use of management and Board of Trustees, 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". The signature is fluid and cursive, with a large loop at the end of the last name.

Jim Petro
Auditor of State

August 10, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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DISTRICT BOARD OF HEALTH

PERRY 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
SEPTEMBER 19, 2000**