



**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Adams County District Board of Health
Adams County
116 West Mulberry Street
West Union, Ohio 45693

To the District Board:

We have audited the accompanying financial statements of the Adams County District Board of Health, Adams 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 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 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 May 18, 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 audit.

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

May 18, 2001

**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS 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**

	General	Special Revenue	Totals (Memorandum Only)
Cash receipts:			
Subdivisions	\$120,205	\$0	\$120,205
Taxes		84,213	84,213
Intergovernmental	23,938	17,218	41,156
Fees	17,492	164,533	182,025
Permits		44,206	44,206
Contracted services		16,771	16,771
Refunds		68	68
Donations		676	676
Miscellaneous receipts	276	716	992
 Total Cash Receipts	 161,911	 328,401	 490,312
Cash disbursements:			
Current:			
Salaries	95,194	188,732	283,926
Supplies	8,531	20,965	29,496
Equipment	1,407	1,072	2,479
Personal services		5,794	5,794
Contract (repairs & services)	9,985	49,695	59,680
Contract services - utilities	4,834		4,834
State remittances	2,993	4,514	7,507
Travel and expenses	2,552	9,518	12,070
Public Employee's Retirement	13,143	20,985	34,128
Workers Compensation	503	922	1,425
Insurance	13,684	27,557	41,241
Other	6,393	9,343	15,736
 Total Cash Disbursements	 159,219	 339,097	 498,316
 Total receipts over/(under) disbursements	 2,692	 (10,696)	 (8,004)
 Fund cash balances, January 1	 12,793	 164,500	 177,293
 Fund cash balances, December 31	 15,485	 153,804	 169,289
 Reserve for encumbrances, December 31	 \$14,602	 \$9,766	 \$24,368

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

**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS 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**

	General	Special Revenue	Totals (Memorandum Only)
Cash receipts:			
Subdivisions	\$111,278	\$0	\$111,278
Taxes		84,887	84,887
Intergovernmental	23,817	43,268	67,085
Fees	17,860	168,253	186,113
Permits		40,888	40,888
Donations		5,084	5,084
Miscellaneous receipts	313	2,612	2,925
 Total Cash Receipts	 153,268	 344,992	 498,260
Cash disbursements:			
Current:			
Salaries	90,655	159,964	250,619
Supplies	5,355	23,591	28,946
Equipment	4,209	4,425	8,634
Personal Services		6,312	6,312
Contract (Repairs & Services)	7,970	51,897	59,867
Contract Services - Utilities	4,840		4,840
State Remittances	3,087	4,906	7,993
Travel and Expenses	2,174	10,988	13,162
Public Employee's Retirement	9,888	24,376	34,264
Workers Compensation	2,031	2,820	4,851
Insurance	14,581	14,053	28,634
Other	6,880	13,923	20,803
 Total Cash Disbursements	 151,670	 317,255	 468,925
 Total receipts over/(under) disbursements	 1,598	 27,737	 29,335
Other financing uses:			
Advances-out to County		(4,000)	(4,000)
 Excess of receipts over/(under) disbursements and other financing uses	 1,598	 23,737	 25,335
 Fund cash balances, January 1	 11,195	 140,763	 151,958
 Fund cash balances, December 31	 <u>12,793</u>	 <u>164,500</u>	 <u>177,293</u>
 Reserve for encumbrances, December 31	 <u>\$9,542</u>	 <u>\$10,754</u>	 <u>\$20,296</u>

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

**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Adams County District Board of Health, Adams County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under a six-member Board selected by the Adams County Health District Advisory Council, which consists of representatives of the Villages, Townships, and Adams County Commissioners. 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 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 Deposits

As required by Ohio Revised Code, Adams County Auditor is the fiscal agent of the District. The District's cash is held and invested by the Adams 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 District uses fund accounting to segregate cash and deposits 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 Fund

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 one significant Special Revenue Fund, the Public Health Nursing Fund, which provides nursing services to the public, such as immunizations and physical testing and their related expenses.

**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that health funds be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The District must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio Law.

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 cash basis of accounting used by the District.

2. EQUITY IN POOLED CASH AND DEPOSITS

The Adams County Treasurer maintains a cash and investment pool used by all of the County's funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash on deposit with the County at December 31, 2000 and 1999, was \$169,289 and \$177,293, respectively. The Adams County Treasurer is responsible for maintaining adequate depository collateral for all funds in Adams County's pooled cash and investments.

**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 164,756	\$ 161,911	\$ (2,845)
Special Revenue	321,535	328,401	6,866
Total	<u>\$ 486,291</u>	<u>\$ 490,312</u>	<u>\$ 4,021</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 174,298	\$ 173,821	\$ 477
Special Revenue	401,340	348,863	52,477
Total	<u>\$ 575,638</u>	<u>\$ 522,684</u>	<u>\$ 52,954</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 157,048	\$ 153,268	\$ (3,780)
Special Revenue	328,454	344,992	16,538
Total	<u>\$ 485,502</u>	<u>\$ 498,260</u>	<u>\$ 12,758</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 163,773	\$ 161,212	\$ 2,561
Special Revenue	389,123	332,009	57,114
Total	<u>\$ 552,896</u>	<u>\$ 493,221</u>	<u>\$ 59,675</u>

4. SUBDIVISION REVENUE

The villages and townships that receive services from the District contribute to the operations of the District. The County Auditor assesses each subdivision their share of the operating cost, which is calculated by the District, through property tax collections. When the County Auditor disburses property tax to the subdivision, the appropriate deduction is made on the subdivision settlement and transmitted to the District.

**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY**

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

5. TAXES

The Adams County Commissioners levied a tax for the cost of providing services and maintaining the Appalachian Hope Van in 1998. The District received tax receipts in 1999 and 2000.

6. RETIREMENT SYSTEMS

Full-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 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 for 1999 and 10.84% of participants' gross salaries for 2000. The District has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The District has government liability coverage through the Public Entities Pool of Ohio. The following risks are covered by the policy:

- General government liability
- Employee benefits liability

The District carries a public employees blanket bond on all its employees through the Western Surety Company.

The District, through the Adams County Commissioners, also provides health insurance coverage to full-time employees through a private carrier.



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

Adams County District Board of Health
Adams County
116 West Mulberry Street
West Union, Ohio 45693

To the District Board:

We have audited the accompanying financial statements of the Adams County District Board of Health, Adams County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 18, 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 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-60401-001.

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 statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2000-60401-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control structure over financial reporting that do not require inclusion in this report that we have reported to management of the District in a separate letter dated May 18, 2001.

Adams County District Board of Health
Adams County
Report 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 District's Board, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 18, 2001

**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2000-60401-001

Material Noncompliance/Reportable Condition - Prior Certification of Funds

Ohio Rev. Code, Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This Section also provides two "exceptions" to the above requirements:

1. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the District Board may authorize the issuance of a warrant in payment of amount due upon such contract or order by resolution within (30) days from the receipt of such certificate.

2. If the amount involved is less than one thousand dollars (\$1,000), the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the District Board if such expenditure is otherwise valid.

Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made need be certified.

Prior certification was not obtained for 17% of the vouchers reviewed, and neither of the two certification exceptions described above was utilized. Failure to certify the availability of funds and encumber appropriations can result in overspending funds and negative cash fund balances.

Therefore, we recommend the District obtain approved purchase orders, which contain the fiscal officer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized, prior to making a commitment.



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ADAMS COUNTY DISTRICT BOARD OF HEALTH

ADAMS 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
JUNE 5, 2001**