



**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Madison County -London City Health District
Madison County
13 North Oak Street
London, Ohio 43140

We have audited the accompanying financial statements of the Madison County - London City Health District, Madison 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 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 described 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 of the Madison County-London City Health District, Madison County, Ohio, 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 January 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 the audit committee, management, Board of Trustees and other officials authorized to receive this report under Section 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

January 18, 2001

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**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON 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:			
Local Taxes	\$170,924	\$0	\$170,924
Intergovernmental	0	171,394	171,394
Charges for Services	20,330	103,444	123,774
Licenses, Permits, and Fees	45,060	137,149	182,209
Other Revenue	41,149	38,348	79,497
	<u>277,463</u>	<u>450,335</u>	<u>727,798</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	106,847	263,416	370,263
Remittances	0	15,953	15,953
Supplies	8,310	959	9,269
Equipment	4,334	0	4,334
Contract Services	29,655	0	29,655
Travel	2,087	24,819	26,906
Advertising	3,815	0	3,815
PERS	12,656	31,147	43,803
Worker's Compensation	0	1,961	1,961
Medicare	1,018	3,210	4,228
Other Expenses	18,717	145,022	163,739
	<u>187,439</u>	<u>486,487</u>	<u>673,926</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>90,024</u>	<u>(36,152)</u>	<u>53,872</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	15,000	55,988	70,988
Advances-In	0	10,000	10,000
Transfers-Out	(55,988)	(15,000)	(70,988)
Advances-Out	(10,000)	0	(10,000)
	<u>(50,988)</u>	<u>50,988</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	39,036	14,836	53,872
Fund Cash Balances, January 1	<u>49,767</u>	<u>108,019</u>	<u>157,786</u>
Fund Cash Balances, December 31	<u>\$88,803</u>	<u>\$122,855</u>	<u>\$211,658</u>

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

**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$160,522	\$0	\$160,522
Intergovernmental	0	189,171	189,171
Charges for Services	18,388	112,935	131,323
Licenses, Permits, and Fees	47,771	133,543	181,314
Other Revenue	24,848	29,444	54,292
 Total Cash Receipts	 251,530	 465,093	 716,623
Cash Disbursements:			
Current:			
Salaries	125,656	259,768	385,424
Remittances	0	9,385	9,385
Supplies	7,392	15,220	22,612
Equipment	904	0	904
Contract Services	32,749	5,636	38,385
Travel	2,815	25,714	28,529
Advertising	1,706	0	1,706
PERS	16,385	32,233	48,618
Worker's Compensation	638	6,341	6,979
Medicare	1,513	2,938	4,452
Other Expenses	21,908	155,826	177,734
 Total Cash Disbursements	 211,666	 513,062	 724,728
 Total Receipts Over/(Under) Disbursements	 39,863	 (47,969)	 (8,106)
Other Financing Receipts/(Disbursements):			
Transfers-In	0	4,801	4,801
Advances-In	0	15,000	15,000
Transfers-Out	(4,801)	0	(4,801)
Advances-Out	(15,000)	0	(15,000)
Other Sources	0	258	258
Other Uses	0	(258)	(258)
 Total Other Financing Receipts/(Disbursements)	 (19,801)	 19,801	 (0)
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 20,062	 (28,168)	 (8,106)
 Fund Cash Balances, January 1	 29,704	 136,187	 165,892
 Fund Cash Balances, December 31	 \$49,767	 \$108,019	 \$157,786

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

**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Madison County-London City Health District, Madison County, Ohio, (the District) is a combined general health district as defined by Section 3709.07, Ohio Revised Code. The District was established as a contractual union of the London City Health District with the Madison County Health District. The District operates under a five-member board appointed under Section 3709.02 and Section 3709.07, Ohio Revised Code, and is responsible for the administration of all health programs established by the Ohio Revised Code and Administrative Codes and any programs deemed necessary by the District. Services provided by the District include, but are not limited to, the review of public health programs, community nursing activities, the control of communicable diseases, environmental health programs, the recording of certificates of vital statistics, removal of nuisances, and health promotion and safety activities.

By law, the Madison County Auditor and Treasurer are the fiscal agents of the District.

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. 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:

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.

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:

**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FUND ACCOUNTING (Continued)

Special Revenue Funds (Continued)

Public Health Nursing - This fund is used to account for monies received and expended for provision of public health services including: provision of immunization services and public nursing services.

Women, Infant, and Child (WIC) Grant Fund - This fund is used to account for receipt and disbursement activity of the District's federal WIC grant monies.

Plumbing Fund - This fund is used to account for the District's receipt and disbursement activity pertaining to plumbing permits and inspection fees.

Litter Fund - This fund is used to account for litter control activities supported by the District.

Food Service Fund - This fund is used to account for inspection costs of cafeterias and restaurants located within the District.

D. BUDGETARY PROCESS

Appropriations

On or before the first Monday in April, the District must adopt an itemized appropriation resolution for the fiscal year beginning on the first day of January next ensuing. The itemized resolution must be certified to the County Auditor, and submitted to the County Budget Commission, which may reduce any item on such appropriation measure, but not increase any item or the aggregate of all items. The Board of Health must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources. On or before the first Monday in April, the District must certify to the County Auditor an estimate, in itemized form, of the sources of revenue available to the District for the fiscal year beginning on the fiscal year beginning on the first day of January next ensuing. This estimate serves as the basis for the annual appropriation measure.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. 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.

**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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 INVESTMENTS

Madison County (the fiscal agent of the Health District) maintains a cash and investments pool used by all funds and special districts for which the County acts as fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 to be used by the District was as follows:

	2000	1999
Demand deposits	\$211,658	\$157,786
Total deposits	\$211,658	\$157,786

Any depository that receives a County deposit or investment is required to pledge, to the investing authority as collateral, eligible securities of aggregate market value that, when added to the portion of the deposit insured by the Federal Deposit Insurance Corporation, equals or exceeds the amount of County funds deposited.

A public depository may, at it's option, pledge a single pool of eligible securities to secure the repayment of all public monies held by the depository. Effective in calendar year 2000 the pool of securities so pledged must have a current market value at least equal to 105% of all public monies on deposit with the depository including the amount covered by federal insurance.

The District's fiscal agent, Madison County is responsible for ensuring that all collateral requirements are met.

3. BUDGETARY ACTIVITY

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

2000 Budgeted VS. Actual Receipts

	Receipts		
Fund Type	Budgeted	Actual	Variance
General	\$257,257	\$292,463	\$35,206
Special Revenue	<u>522,379</u>	<u>506,323</u>	<u>(16,056)</u>
Total	\$779,636	\$798,786	\$19,150

**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$295,691	\$243,427	\$52,264
Special Revenue	532,969	501,487	31,482
Total	<u>\$828,660</u>	<u>\$744,914</u>	<u>\$83,746</u>

1999 Budgeted VS. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$277,770	\$251,530	(\$26,240)
Special Revenue	<u>576,485</u>	<u>470,152</u>	<u>(106,333)</u>
Total	\$854,255	\$721,682	(\$132,573)

1999 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$282,248	\$216,467	\$65,781
Special Revenue	<u>579,274</u>	<u>513,320</u>	<u>65,954</u>
Total	\$861,522	\$729,787	\$131,735

4. RETIREMENT SYSTEMS

Full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan providing retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS 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.

**MADISON COUNTY - LONDON CITY HEALTH DISTRICT
MADISON COUNTY**

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

5. RISK MANAGEMENT

On behalf of the Madison County-London City Health District, the Madison County Board of Commissioners maintain comprehensive insurance coverage with private carriers for real property. The District provides its own coverage for the building contents. The building contents are 100% insured. The District also maintains additional insurance coverage in the form of a general liability policy.

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

Madison County -London City Health District
Madison County
13 North Oak Street
London, Ohio 43140

We have audited the financial statements of the Madison County - London City Health District, Madison 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 January 18, 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*.

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 controls 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 January 18, 2001.

Madison County - London City Health District
Madison 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 the audit committee, management, and 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

January 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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MADISON COUNTY - LONDON CITY HEALTH DISTRICT

MADISON 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
FEBRUARY 13, 2001**