



**DISTRICT BOARD OF HEALTH  
MARION COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**DISTRICT BOARD OF HEALTH  
MARION COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Marion County District Board of Health  
Marion County  
98 McKinley Park Boulevard  
Marion, Ohio 43302

To the Board:

We have audited the accompanying financial statements of the Marion County District Board of Health, Marion 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 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 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 April 11, 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 it 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 Board of Health 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

April 11, 2001

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**DISTRICT BOARD OF HEALTH  
MARION 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**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Local Taxes	\$223,570	\$0	\$223,570
Intergovernmental	26,800	219,075	245,875
Charges for Services	0	10,380	10,380
Fines, Licenses, and Permits	63,838	104,998	168,836
Other Revenue	20,300	465	20,765
 Total Cash Receipts	 334,508	 334,918	 669,426
<b>Cash Disbursements:</b>			
Salaries and fringe benefits	192,619	250,321	442,940
Supplies and equipment	9,099	29,387	38,486
Contracts, services, and rentals	21,639	20,358	41,997
Advertising and printing	2,396	536	2,932
Travel	0	5,529	5,529
Remittances to state	0	7,212	7,212
Other	5,888	6,675	12,563
 Total Cash Disbursements	 231,641	 320,018	 551,659
 Total Receipts Over/(Under) Disbursements	 102,867	 14,900	 117,767
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	36,500	36,500
Transfers-Out	(36,500)	0	(36,500)
 Total Other Financing Receipts/(Disbursements)	 (36,500)	 36,500	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 66,367	 51,400	 117,767
 Fund Cash Balances, January 1	 198,512	 217,446	 415,958
 <b>Fund Cash Balances, December 31</b>	 <b>\$264,879</b>	 <b>\$268,846</b>	 <b>\$533,725</b>
 Reserve for Encumbrances, December 31	 \$41,977	 \$2,006	 \$43,983

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

**DISTRICT BOARD OF HEALTH  
MARION 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$192,247	\$0	\$192,247
Intergovernmental	15,673	157,504	173,177
Charges for Services	0	4,429	4,429
Licenses, Permits, and Fees	61,601	103,559	165,160
Other Revenue	17,070	1,168	18,238
	<u>286,591</u>	<u>266,660</u>	<u>553,251</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	184,202	235,318	419,520
Supplies and Equipment	28,412	19,668	48,080
Contract Services	28,712	22,911	51,623
Advertising and Printing	2,220	240	2,460
Travel	0	5,158	5,158
Remittances to State	0	7,088	7,088
Miscellaneous	3,136	18,882	22,018
	<u>246,682</u>	<u>309,265</u>	<u>555,947</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>39,909</u>	<u>(42,605)</u>	<u>(2,696)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	21,740	21,740
Transfers-Out	(21,740)	0	(21,740)
	<u>(21,740)</u>	<u>21,740</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	18,169	(20,865)	(2,696)
Fund Cash Balances, January 1	<u>180,343</u>	<u>238,311</u>	<u>418,654</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$198,512</u></b>	<b><u>\$217,446</u></b>	<b><u>\$415,958</u></b>
Reserve for Encumbrances, December 31	<u>\$10,399</u>	<u>\$8,207</u>	<u>\$18,606</u>

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



**DISTRICT BOARD OF HEALTH  
MARION COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The District Board of Health, Marion County, Ohio, (the District) is authorized under Section 3709.07, Ohio Revised Code. The District operates under the direction of a five-member board. The District provides the following services: communicable disease investigations, immunization clinics, tuberculosis screening, home visits, and various types of licenses, permits and inspections.

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 Investments**

In accordance with the Ohio Revised Code, the District's cash is held and invested by the Marion 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 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:

Child & Family Health Fund - This fund receives grant revenue and program income from clinics. The revenue is used for the staff and for supplies to provide this service.

**DISTRICT BOARD OF HEALTH  
MARION COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (continued)**

**2. Special Revenue Funds (continued)**

Public Health Nursing - This fund receives income from various clinics and an interagency agreement with Marion Adolescent Pregnancy Program. This revenue is used for the staff and for supplies to provide this service.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

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 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. The District 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.

**2. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. 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 future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

A summary of 2000 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.

**DISTRICT BOARD OF HEALTH  
MARION COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 INVESTMENTS**

The deposits of District funds are handled by the Marion County Auditor and Treasurer's offices. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Total deposits	\$ <u>533,725</u>	\$ <u>415,958</u>

**Deposits:** Deposits are 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:

<b>2000 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 293,890	\$ 334,508	\$ 40,618
Special Revenue	<u>334,720</u>	<u>371,418</u>	<u>36,698</u>
Total	<u>\$ 628,610</u>	<u>\$ 705,926</u>	<u>\$ 77,316</u>

<b>2000 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 402,607	\$ 310,118	\$ 92,489
Special Revenue	<u>409,434</u>	<u>322,024</u>	<u>87,410</u>
Total	<u>\$ 812,041</u>	<u>\$ 632,142</u>	<u>\$ 179,899</u>

**DISTRICT BOARD OF HEALTH  
MARION COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 280,890	\$ 286,591	\$ 5,701
Special Revenue	<u>275,412</u>	<u>288,400</u>	<u>12,988</u>
Total	<u>\$ 556,302</u>	<u>\$ 574,991</u>	<u>\$ 18,689</u>

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 400,346	\$ 278,821	\$ 121,525
Special Revenue	<u>394,645</u>	<u>317,472</u>	<u>77,173</u>
Total	<u>\$ 794,991</u>	<u>\$ 596,293</u>	<u>\$ 198,698</u>

**4. 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 postretirement 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 in 1999 and 10.84% in 2000. The District has paid all contributions required through December 31, 2000.

**5. RISK MANAGEMENT**

The District is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool provides general liability insurance for building contents, auto, and employees.



**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

Marion County Board of Health  
Marion County  
98 McKinley Park Boulevard  
Marion, Ohio 43302

To the Board:

We have audited the accompanying financial statements of the Marion County District Board of Health, Marion 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 April 11, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 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 April 11, 2001.

Marion County District Board of Health  
Marion 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 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

April 11, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**MARION COUNTY DISTRICT BOARD OF HEALTH**

**MARION 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  
MAY 3, 2001**