



**DISTRICT BOARD OF HEALTH
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
UNION COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Members of Board of Health
District Board of Health
Union County
621 South Plum Street
Marysville, Ohio 43040

We have audited the accompanying financial statements of the District Board of Health, Union County, Ohio, (the Health District) as of and for the years ended December 31, 2000, and December 31, 1999. These financial statements are the responsibility of the Health 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 discussed in Note 1, the Health 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 Health 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 January 18, 2001 on our consideration of the Health 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 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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**DISTRICT BOARD OF HEALTH
UNION 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$995,735	\$0	\$995,735
Intergovernmental	101,522	149,290	250,812
Licenses, Permits, and Fees	174,981	133,142	308,123
Other Revenue	21,125	5,636	26,761
	<u>1,293,363</u>	<u>288,068</u>	<u>1,581,431</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	567,838	186,838	754,676
Remittances	5,054	10,313	15,367
Supplies	39,161	13,315	52,476
Equipment	50,108	3,230	53,338
Contract Services	56,879	14,657	71,536
Travel	19,498	8,478	27,976
Advertising	14,568	5,035	19,603
PERS	69,880	20,538	90,418
Worker's Compensation	2,119	750	2,869
Medicare	8,149	2,656	10,805
Other Expenses	69,988	9,039	79,027
	<u>903,242</u>	<u>274,849</u>	<u>1,178,091</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>390,121</u>	<u>13,219</u>	<u>403,340</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	2,529	30,750	33,279
Advances-In	40,000	0	40,000
Transfers-Out	(30,750)	(2,529)	(33,279)
Advance-Out	0	(40,000)	(40,000)
	<u>11,779</u>	<u>(11,779)</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	401,900	1,440	403,340
Fund Cash Balances, January 1	<u>479,757</u>	<u>141,910</u>	<u>621,667</u>
Fund Cash Balances, December 31	<u>\$881,657</u>	<u>\$143,350</u>	<u>\$1,025,007</u>

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

**DISTRICT BOARD OF HEALTH
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGE IN FUND CASH BALANCE
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Agency Fund</u>
Non-Operating Cash Receipts:	
Miscellaneous Collections	<u>\$15,746</u>
Total Non-Operating Cash Receipts	<u>15,746</u>
Non-Operating Cash Disbursements:	
State Reimbursement	<u>15,664</u>
Total Non-Operating Cash Disbursements	<u>15,664</u>
Excess of Non Operating Receipts Over/(Under) Disbursements	82
Fund Cash Balances, January 1	<u>918</u>
Fund Cash Balances, December 31	<u><u>\$1,000</u></u>

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

**DISTRICT BOARD OF HEALTH
UNION 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$343,003	\$0	\$343,003
Intergovernmental	291,804	188,440	480,244
Licenses, Permits, and Fees	189,856	128,347	318,203
Other Revenue	19,214	21,129	40,343
	<u>843,877</u>	<u>337,916</u>	<u>1,181,793</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	489,689	141,280	630,969
Remittances	0	5,475	5,475
Supplies	26,966	13,131	40,097
Equipment	16,314	6,347	22,661
Contract Services	67,177	65,823	133,000
Travel	15,234	10,631	25,865
Advertising	7,244	13,188	20,432
PERS	64,435	24,157	88,592
Worker's Compensation	8,299	2,196	10,495
Medicare	7,024	2,454	9,478
Other Expenses	49,816	20,703	70,519
	<u>752,198</u>	<u>305,385</u>	<u>1,057,583</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>91,679</u>	<u>32,531</u>	<u>124,210</u>
Other Financing Receipts/(Disbursements):			
Advances-In	10,000	10,000	20,000
Advances-Out	(10,000)	(10,000)	(20,000)
Other Sources	9,878	17	9,895
	<u>9,878</u>	<u>17</u>	<u>9,895</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	101,557	32,548	134,105
Fund Cash Balances, January 1	<u>378,200</u>	<u>109,362</u>	<u>487,562</u>
Fund Cash Balances, December 31	<u>\$479,757</u>	<u>\$141,910</u>	<u>\$621,667</u>

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

**DISTRICT BOARD OF HEALTH
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGE IN FUND CASH BALANCE
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Agency fund</u>
Non-Operating Cash Receipts:	
Miscellaneous Collections	<u>\$16,541</u>
Total Non-Operating Cash Receipts	<u>16,541</u>
Non-Operating Cash Disbursements:	
State Reimbursement	<u>16,431</u>
Total Non-Operating Cash Disbursements	<u>16,431</u>
Excess of Non-Operating Receipts Over/(Under) Disbursements	110
Fund Cash Balances, January 1	<u>808</u>
Fund Cash Balances, December 31	<u><u>\$918</u></u>

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

**DISTRICT BOARD OF HEALTH
UNION COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Union County Health District, Union County, Ohio, (the Health 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 Health District is directed by an appointed seven-member Board of Trustees. The Health District provides general health services, including nursing services, such as immunizations and prenatal care, health education and environmental services, such as water sampling, well permits, and food licenses.

The Health District's management believes these financial statements present all activities for which the Health 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

The Union County Auditor is the statutory fiscal agent of the Health District. As such, the County Treasurer includes the Health District's cash and investments in its pool of cash and investments of the County. The balances as of December 31, 2000 and December 31, 1999 are disclosed in Note 2.

D. FUND ACCOUNTING

The Health District uses fund accounting to segregate cash and investments that are restricted as to use. The Health 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 Health District had the following significant Special Revenue Fund:

Water System Fund - This fund operates on money received for services provided, such as new well permits, water sampling, and new septic permits.

**DISTRICT BOARD OF HEALTH
UNION COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. FUND ACCOUNTING (Continued)

Fiduciary Funds (Agency Fund)

Funds for which the District is acting as an agency capacity are classified as agency funds. The District had the following significant fiduciary fund:

State of Ohio fund - the Health district collects inspection fees for the state and remits them monthly.

E. BUDGETARY PROCESS

The Ohio Rev. Code requires that each fund (except certain agency funds) be budgeted annually.

Appropriations

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

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.

Encumbrances

The Ohio Rev. Code requires the Health District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

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 Health District.

**DISTRICT BOARD OF HEALTH
UNION COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Health District's cash and investments are maintained by the County, its statutory fiscal agent. The Ohio Rev. Code prescribes allowable deposits and investments, and the County is responsible for compliance. As of December 31, 2000, and December 31, 1999, the Health District's share of the County's cash and investments pool were \$1,026,007 and \$622,585, respectively. All risks associated with such deposits are the responsibility of Union County.

3. BUDGETARY ACTIVITY

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

2000 Budgeted VS. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$1,116,127	\$1,295,892	\$179,765
Special Revenue	343,972	318,818	(25,154)
Total	\$1,460,099	\$1,614,710	\$154,611

2000 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$938,890	\$933,992	\$4,898
Special Revenue	341,445	277,378	64,067
Total	\$1,280,335	\$1,211,370	\$68,965

1999 Budgeted VS. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$873,438	\$853,755	(\$19,683)
Special Revenue	224,393	337,933	113,540
Total	\$1,097,831	\$1,191,688	\$93,857

**DISTRICT BOARD OF HEALTH
UNION COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$886,125	\$752,198	\$133,927
Special Revenue	350,898	305,385	45,513
Total	<u>\$1,237,023</u>	<u>\$1,057,583</u>	<u>\$179,440</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Health District. 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 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 County.

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 Health District.

5. RETIREMENT SYSTEMS

The Health District's 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 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 8.50% of their gross salaries. The Health District contributed an amount equal to 13.55% participants' gross salaries. The Health District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Health District is a member of Public Entities Pool of Ohio, a government risk pool. As a member of the pool, the Health District obtained insurance for the following risks:

- General liability
- Automobile

**DISTRICT BOARD OF HEALTH
UNION COUNTY**

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

7. CORRECTION OF AN ERROR

Certain adjustments were made to beginning fund balances to properly reflect these amounts as of January 1, 1999 as reflected below:

	<u>General Fund</u>	<u>Special Revenue Fund Type</u>
Balance 12/31/98	\$388,200	\$99,362
Corrections	<u>(10,000)</u>	<u>10,000</u>
Balance 1/1/99	<u>\$378,200</u>	<u>\$109,362</u>

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

Members of the Board of Health
District Board of Health
Union County
621 South Plum Street
Marysville, Ohio 43040

We have audited the accompanying financial statements of the District Board of Health, Union County, Ohio, (the Health 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 Health 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 Health 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 Health District in a separate letter dated January 18, 2001.

Members of the Board of Health
District Board of Health
Union 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 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

JIM PETRO, AUDITOR OF STATE

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UNION COUNTY DISTRICT BOARD OF HEALTH

UNION 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
MARCH 6, 2001**