



**DISTRICT BOARD OF HEALTH
VAN WERT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BOARD OF HEALTH
VAN WERT COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Health
Van Wert County
140 Fox Road
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Van Wert, OH 45891

To the Board of Trustees:

We have audited the accompanying financial statements of the Board of Health, Van Wert County, Ohio, (the Board) as of and for the years ended December 31, 2000 and December 31, 1999. 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 Board 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 March 15, 2001 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. 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, the Board 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

March 15, 2001

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**BOARD OF HEALTH
VAN WERT 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$239,522	\$130,202	\$369,724
Charges for Services	26,378	98,148	124,526
Licenses, Permits, and Fees	4,902	11,792	16,694
Miscellaneous	2,191	6,468	8,659
	<u>272,993</u>	<u>246,610</u>	<u>519,603</u>
Cash Disbursements:			
Current:			
Salaries	153,840	70,364	224,204
Fringe Benefits	58,722	166	58,888
Remittance - State	5,736	7,261	12,997
Supplies	2,415	18,801	21,216
Equipment	2,408	1,500	3,908
Contracts-Repair	1,232		1,232
Contracts-Services	1,305		1,305
Rentals	33,444		33,444
Travel and Expense	3,044	8,169	11,213
Advertising and Printing	730		730
Other Expenses	22,026	24,527	46,553
Project Fund Expense		124,015	124,015
	<u>284,902</u>	<u>254,803</u>	<u>539,705</u>
Total Receipts Over/(Under) Disbursements	(11,909)	(8,193)	(20,102)
Fund Cash Balances, January 1	<u>54,542</u>	<u>144,728</u>	<u>199,270</u>
Fund Cash Balances, December 31	<u>\$42,633</u>	<u>\$136,535</u>	<u>\$179,168</u>
Reserve for Encumbrances, December 31	<u>\$3,295</u>	<u>\$2,886</u>	<u>\$6,181</u>

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

**BOARD OF HEALTH
VAN WERT 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$198,613	\$64,380	\$262,993
Charges for Services	20,473	84,851	105,324
Fines, Licenses, and Permits	4,250	9,073	13,323
Miscellaneous	317	1,999	2,316
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	223,653	160,303	383,956
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Salaries	143,923	69,261	213,184
Fringe Benefits	53,429	780	54,209
Remittance - State	5,096	7,746	12,842
Supplies	922	7,758	8,680
Equipment	1,073		1,073
Contracts-Services	4,033	842	4,875
Rentals	16,797		16,797
Travel and Expense	2,487	2,967	5,454
Advertising and Printing	1,313		1,313
Other Expenses	18,786	13,166	31,952
Project Fund Expense		37,474	37,474
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	247,859	139,994	387,853
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(24,206)	20,309	(3,897)
Fund Cash Balances, January 1	78,748	124,419	203,167
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$54,542</u>	<u>\$144,728</u>	<u>\$199,270</u>
	<hr/>	<hr/>	<hr/>
Reserve for Encumbrances, December 31	<u>\$1,527</u>	<u>\$1,908</u>	<u>\$3,435</u>

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

**BOARD OF HEALTH
VAN WERT 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, Van Wert County, (the Board) 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 Board is directed by a publicly-elected five-member Board of Trustees. The Board provides general community health services, including immunizations, licensing and inspection of food service facilities.

The Board's management believes these financial statements present all activities for which the Board is financially accountable. The Board maintains direct fiscal control over the revenues of the general and special revenue funds of the Board held by the Van Wert County Treasurer with the Van Wert County Auditor serving as fiscal officer.

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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. 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 (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Public Health Nursing Fund - This fund accounts for fees charged for nursing services and immunizations.

Federal Abstinence Grant Fund - This fund accounts for literature and resources provided to assist with educational programs for the elementary and teen-age population.

**BOARD OF HEALTH
VAN WERT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board 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 Board to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Board 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 basis of accounting used by the Board.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Van Wert County Auditor acts as fiscal agent for the Board and the County Treasurer maintains a cash and investment pool used by all County funds.

The carrying amount of the County Auditor's records for the District Board of Health's fund balance was \$179,168 at December 31, 2000 and \$199,270 at December 31, 1999.

The categorization of the pooled cash and investments held by the County Treasurer may be reviewed by referring to the audit report of Van Wert County.

**BOARD OF HEALTH
VAN WERT COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$266,324	\$272,993	\$6,669
Special Revenue	215,661	246,610	30,949
Total	\$481,985	\$519,603	\$37,618

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$320,136	\$288,197	\$31,939
Special Revenue	280,496	257,689	22,807
Total	\$600,632	\$545,886	\$54,746

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$248,800	\$223,653	(\$25,147)
Special Revenue	136,573	160,303	23,730
Total	\$385,373	\$383,956	(\$1,417)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$326,550	\$249,386	\$77,164
Special Revenue	173,931	141,902	32,029
Total	\$500,481	\$391,288	\$109,193

**BOARD OF HEALTH
VAN WERT COUNTY**

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

4. RETIREMENT SYSTEMS

The Board's elected officials and employee 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, members of PERS contributed 8.5% of their gross salaries. The Board contributed an amount equal to 13.55% of participants' gross salaries for January through June 2000 and an amount equal to 8.13% of participants' gross salaries for July through December 2000. The Board has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The Board has obtained commercial insurance for the following risks:

- Comprehensive property, general liability, professional, and public officials
- Errors, omissions, and malpractice

The Board maintains coverage as listed above through private carriers with limits of five hundred thousand on liability.



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

Board of Health
Van Wert County
140 Fox Road
Suite 402
Van Wert, OH 45891

To the Board of Trustees:

We have audited the accompanying financial statements of the Board of Health, Van Wert County, Ohio (the Board), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 15, 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 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 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 2000-60281-001. We also noted an immaterial instance of noncompliance that we have reported to management of the Board in a separate letter dated March 15, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 March 15, 2001.

Board of Health
Van Wert County
Report of Independent Accountants 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 the Board , and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 15, 2001

**BOARD OF HEALTH
VAN WERT COUNTY**

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

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2000-60281-001

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certificate should be considered null and void. If no certificate is issued at the time the contract or order is entered into, the fiscal officer may later certify that there were funds properly appropriated and in the treasury or in the process of collection and such funds are free from previous encumbrance both at the time the contract or order was entered into and at the time of payment. After certifying this, the fiscal officer may proceed to pay for such order or contract. If the amount involved is over \$1,000, the taxing authority must approve of such payment within 30 days of the date of the fiscal officer's certification.

Eighteen of the sixty transactions tested did not have prior certification. The eighteen transactions represented 62% of the expenditures tested.

The Board should review the certification requirement and exceptions provided by statute, and obtain the required certification prior to obligating Board funds when practicable. The exceptions should be used when prior certification is not practicable. The Ohio Compliance Supplement may serve as a useful reference when reviewing the requirements of Ohio Rev. Code 5705.41(D).



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DISTRICT BOARD OF HEALTH

VAN WERT 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
APRIL 17, 2001**