



**DISTRICT BOARD OF HEALTH
HOCKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Hocking County
31620 Chieftain Drive
Logan, Ohio 43138

To the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Hocking 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 statement. 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 of the District Board of Health, Hocking County, 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 31, 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 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

May 31, 2001

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**DISTRICT BOARD OF HEALTH
HOCKING 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>	<u>Capital Projects</u>	
Cash Receipts:				
Taxes	\$ 329,464	\$	\$	\$ 329,464
Intergovernmental	110,538	273,871		384,409
Fees, Licenses and Permits	1,017	160,575		161,592
Other Revenue	78,076	6,208		84,284
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Total Cash Receipts	519,095	440,654	0	959,749
Cash Disbursements:				
Current:				
Salaries - Employees	206,164	293,403		499,567
Fringe Benefits		36,351		36,351
Supplies	31,765	35,611		67,376
Equipment	12,551	738		13,289
Contracts - Service / Repair	40,464	5,663		46,127
Travel	10,151	9,831		19,982
Advertising and Printing	855			855
Public Employees Retirement	51,380	12,913		64,293
Workers Compensation	872	755		1,627
Medicare	5,846	1,629		7,475
Hospitalization	64,614	9,562		74,176
Remittance to State	4,014	12,525		16,539
Other Expenses	26,667	15,769		42,436
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Total Cash Disbursements	455,343	434,750	0	890,093
Total Cash Receipts Over/(Under) Cash Disbursements	63,752	5,904	0	69,656
Other Financing Receipts/(Disbursements):				
Transfers-In	28,649			28,649
Advances-In	10,000			10,000
Transfers-Out		(28,649)		(28,649)
Advances-Out		(10,000)		(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	38,649	(38,649)	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	102,401	(32,745)	0	69,656
Fund Cash Balances, January 1	38,369	115,521	55,214	209,104
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Fund Cash Balances, December 31	\$ 140,770	\$ 82,776	\$ 55,214	\$ 278,760

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

**DISTRICT BOARD OF HEALTH
HOCKING 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>	<u>Capital Projects</u>	
Cash Receipts:				
Taxes	\$ 250,137	\$	\$	\$ 250,137
Intergovernmental	55,328	322,669		377,997
Fees, Licenses and Permits	912	99,921		100,833
Other Revenue	34,492	48,816		83,308
Total Cash Receipts	<u>340,869</u>	<u>471,406</u>	<u>0</u>	<u>812,275</u>
Cash Disbursements:				
Current:				
Salaries - Employees	199,213	285,148		484,361
Fringe Benefits		42,870		42,870
Supplies	22,131	35,145		57,276
Equipment	5,268	3,223		8,491
Contracts - Service / Repair	40,464	25,449		65,913
Travel	5,041	15,389		20,430
Advertising and Printing	592	799		1,391
Public Employees Retirement	28,935	17,347		46,282
Workers Compensation	4,346	2,222		6,568
Medicare	2,681	1,332		4,013
Hospitalization	27,389	2,903		30,292
Remittance to State	4,112	13,183		17,295
Other Expenses	19,444	13,934		33,378
Total Cash Disbursements	<u>359,616</u>	<u>458,944</u>	<u>0</u>	<u>818,560</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(18,747)</u>	<u>12,462</u>	<u>0</u>	<u>(6,285)</u>
Other Financing Receipts/(Disbursements):				
Advances-In	5,000	5,000		10,000
Advances-Out	(5,000)	(5,000)		(10,000)
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(18,747)</u>	<u>12,462</u>	<u>0</u>	<u>(6,285)</u>
Fund Cash Balances, January 1	<u>57,116</u>	<u>103,059</u>	<u>55,214</u>	<u>215,389</u>
Fund Cash Balances, December 31	<u>\$ 38,369</u>	<u>\$ 115,521</u>	<u>\$ 55,214</u>	<u>\$ 209,104</u>

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

**DISTRICT BOARD OF HEALTH
HOCKING 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, Hocking County (the District), is a general health district as defined by Ohio Rev. Code Section 3709.07. The District is directed by an appointed five-member Board and an appointed Health Commissioner. The District provides general government services, including inspection and licensing of food establishments, inspection of sewer and water systems, inspection and licensing of solid waste facilities, tuberculosis screening, inspection of trailer parks, birth and death certificates, administration of public health nursing programs and other related services.

The District's management believes these financial statements present all activities for which the Board of Health is financially accountable.

B. Basis of Accounting

The 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.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Hocking County Auditor serves as fiscal agent for the District, and the investment of County funds, including District funds, is determined by the Hocking County Treasurer under the direction of the Hocking County Investment Advisory Committee. The District maintains no control over the investment of its funds. The disclosure of the County's deposits and investments at December 31, 2000 and 1999, is made in the County's annual financial reports for the years ended December 31, 2000 and 1999.

D. 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:

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 for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

**DISTRICT BOARD OF HEALTH
HOCKING 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)

Women, Infants and Children (WIC) Fund - This fund receives money to provide supplemental nutritious food and nutrition education as an adjunct to good health care to low-income persons in critical periods of growth and development.

3. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The District had the following Capital Projects Fund:

Building Fund - This fund accumulates monies for significant capital improvements to the District's facilities.

E. Budgetary Process

An appropriation measure is adopted by the Board of Health on or before the first Monday in January in each year for the period January 1 to December 31 of that year. The appropriation measure, together with an 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 of January 1 to December 31 of the following year. The Board of Health 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.

The District utilizes the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the disbursement of funds are recorded in order to reserve the portion of the applicable appropriation. 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 further appropriations. The encumbered appropriation balance is canceled and reappropriated in the succeeding year.

A summary of 2000 and 1999 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

**DISTRICT BOARD OF HEALTH
HOCKING 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. 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	\$ 728,532	\$ 557,744	\$ 170,788
Special Revenue	437,759	440,654	(2,895)
Capital Projects	0	0	0
Total	<u>\$ 1,166,291</u>	<u>\$ 998,398</u>	<u>\$ 167,893</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 742,422	\$ 455,343	\$ 287,079
Special Revenue	470,291	473,399	(3,108)
Capital Projects	55,214	0	55,214
Total	<u>\$ 1,267,927</u>	<u>\$ 928,742</u>	<u>\$ 339,185</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 329,416	\$ 345,869	\$ 16,453
Special Revenue	497,103	476,406	(20,697)
Capital Projects	10,000	0	(10,000)
Total	<u>\$ 836,519</u>	<u>\$ 822,275</u>	<u>\$ (14,244)</u>

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY**

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

2. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 386,027	\$ 364,616	\$ 21,411
Special Revenue	546,087	463,944	82,143
Capital Projects	65,241	0	65,241
Total	\$ 997,355	\$ 828,560	\$ 168,795

3. PROPERTY TAX

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

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 District.

4. RETIREMENT SYSTEM

The District's full-time and part-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, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The District has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The Hocking County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents and vehicles. The District is covered by these policies.



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

District Board of Health
Hocking County
31620 Chieftain Drive
Logan, Ohio 43138

To the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Hocking County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 31, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated May 31, 2001.

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 statement 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 District in a separate letter dated May 31, 2001.

District Board of Health
Hocking 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 management and the Board of Health, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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DISTRICT BOARD OF HEALTH

HOCKING 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 26, 2001**