



**DISTRICT BOARD OF HEALTH
GALLIA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Gallia County
18 Locust Street
Gallipolis, Ohio 45631

To the Board of Health:

We have audited the accompanying financial statement of the District Board of Health, Gallia County, Ohio, (the District) as of and for the year ended December 31, 1999. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement 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 statement is 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 statement 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 statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District Board of Health, Gallia County, Ohio, as of 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 June 7, 2000 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.

This report is intended solely for the information and use of the audit committee, management and 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 7, 2000

**DISTRICT BOARD OF HEALTH
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES-
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Taxes	\$242,723	\$	\$	\$242,723
Intergovernmental Receipts	23,689	355,631		379,320
Fees	29,184	3,815	8,396	41,395
Licenses	1,355	71,196		72,551
Permits	16,378	3,708		20,086
Contractual Services	88,351			88,351
Refunds and Reimbursements	38,368	1,169		39,537
Miscellaneous	5,246	6		5,252
Total Cash Receipts	445,294	435,525	8,396	889,215
Cash Disbursements:				
Current:				
Remittance to State		35,897		35,897
Salaries	268,727	42,486		311,213
Supplies	39,615	949		40,564
Contract Services	22,356	1,684		24,040
Equipment	2,970	1,602		4,572
Travel and Expenses	3,548	1,453		5,001
Public Employee's Retirement System	33,396	6,288		39,684
Project Fund Disbursements		288,437		288,437
Worker's Compensation	4,336	1,088		5,424
Unemployment Compensation	217			217
Advertising and Printing	1,157			1,157
Medicare	3,275	616		3,891
Hospitalization	57,203			57,203
Other Expenses	35,100	1,639	8,198	44,937
Total Cash Disbursements	471,900	382,139	8,198	862,237
Total Receipts Over/(Under) Disbursements	(26,606)	53,386	198	26,978
Other Financing Receipts/(Disbursements):				
Transfers-In	128	45		173
Transfers-Out	(45)	(128)		(173)
Total Other Financing Receipts/(Disbursements)	83	(83)		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(26,523)	53,303	198	26,978
Fund Cash Balances, January 1	189,587	79,188	3,913	272,688
Fund Cash Balances, December 31	\$163,064	\$132,491	\$4,111	\$299,666
Reserves for Encumbrances, December 31	\$23,001	\$15,179		\$38,180

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

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**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Gallia County, (the District) is a general health district as defined by Section 3709.01, Revised Code. The District Board of Health operates under an appointed five member Board and is responsible for the administration of all health programs established by the Revised Code, the Ohio Department of Health, and the Public Health Council. Services provided by the District Board of Health include the inspection and licensing of food establishments, inspection of sewer and water systems, inspection and licensing of solid waste facilities, inspection of trailer parks, and public health nursing programs.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Basis of Accounting

The financial statement follows the basis of accounting prescribed 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.).

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

C. Cash and Investments

Cash is valued at cost. The District held no investments during the audit period.

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 by law or contract to be restricted.

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:

Women, Infants and Children's (WIC) Fund - This fund receives federal grant monies to administer assistance to qualified applicants of the WIC program.

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Pre-Natal Fund- This fund receives federal grant monies to administer assistance to qualified applicants of the Pre-Natal program.

3. Fiduciary Fund

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the District to maintain the corpus of the trust, the fund is classified as a Non-expendable Trust Fund. Other trust funds are classified as Expendable Trust Funds. The District had the following significant Expendable Trust Fund.

Children's Trust Fund- This fund receives a percentage of the fees collected for birth certificates to administer the Child Abuse and Neglect Trust Fund.

E. Budgetary Process

An appropriation measure is adopted by the Board 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 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 amounts 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 Board 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.

Encumbrances

The District's policy is to reverse (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 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 statement.

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 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 basis of accounting used by the District.

2. EQUITY IN POOLED CASH

The District maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 1999 was \$299,666.

Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to Gallia County, or (3) collateralized by the Financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 1999 was as follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 442,053	\$ 445,422	\$ 3,369
Special Revenue	441,819	435,570	(6,249)
Fiduciary	8,396	8,396	
Total	\$ 892,268	\$ 889,388	\$ (2,880)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 497,845	\$ 494,946	\$ 2,899
Special Revenue	458,102	397,446	60,656
Fiduciary	10,000	8,198	1,802
Total	\$ 965,947	\$ 900,590	\$ 65,357

4. PROPERTY TAX

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

**DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

4. PROPERTY TAX (Continued)

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.

5. RETIREMENT SYSTEMS

The employees of the District Board of Health are compensated through the County. The disclosure for retirement commitments and Post Retirement Health Care Benefits are contained in the audit of the financial condition of Gallia County for the year ended December 31, 1999.

6. RISK MANAGEMENT

The Gallia County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. The District Board of Health 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
Gallia County
18 Locust Street
Gallipolis, Ohio 45631

To the Board of Health:

We have audited the accompanying financial statement of the District Board of Health, Gallia County, Ohio, (the District) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 7, 2000. 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 statement is 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 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 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 June 7, 2000.

This report is intended for the information and use of the audit committee, management and the Board of Health, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 7, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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DISTRICT BOARD OF HEALTH

GALLIA 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
JULY 18, 2000**