



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HARRISON DISTRICT BOARD OF HEALTH
HARRISON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Harrison District Board of Health
Harrison County
943 B East Market Street
Cadiz, Ohio 43907

To Members of the Board:

We have audited the accompanying financial statements of Harrison District Board of Health, Harrison 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 of the Harrison District Board of Health, Harrison County, 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 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 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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**HARRISON DISTRICT BOARD OF HEALTH
HARRISON 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**

	General	Special Revenue	Totals Memorandum Only)
Cash receipts:			
Subdivision	\$11,000		\$11,000
Levies	50,447		50,447
Other Receipts	24,000	\$210	24,210
State Funds		6,600	6,600
Fees, Licenses , Permits	76,027	3,830	79,857
Total cash receipts	161,474	10,640	172,114
Cash disbursements:			
Current:			
Salaries	106,819		106,819
Supplies	3,083		3,083
Equipment	1,043		1,043
Contracts repair	505		505
Contracts service	7,491		7,491
Travel Expenses	11,222		11,222
Remittance to State		3,852	3,852
Public Employee's Retirement	13,144		13,144
Worker's Compensation	344		344
Other Expenses	22,536	6,810	29,346
Advertising and Printing	508		508
Total cash disbursements	166,695	10,662	177,357
Total receipts over/(under) cash disbursements	(5,221)	(22)	(5,243)
Fund cash balances January 1, 2000	23,118	1,542	24,660
Fund cash balances, December 31, 2000	\$17,897	\$1,520	\$19,417

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

**HARRISON DISTRICT BOARD OF HEALTH
HARRISON 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>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:			
Subdivision	\$11,000		\$11,000
Levies	51,099		51,099
Other Receipts	25,416	\$526	25,942
State Funds		949	949
Fees, Licenses , Permits	72,693	3,528	76,221
Total cash receipts	<u>160,208</u>	<u>5,003</u>	<u>165,211</u>
Cash disbursements:			
Current:			
Salaries	100,186		100,186
Supplies	3,466		3,466
Equipment	1,780		1,780
Contracts repair	245		245
Contracts service	17,362		17,362
Travel Expenses	8,662		8,662
Remittance to State		3,326	3,326
Public Employee's Retirement	13,079		13,079
Worker's Compensation	1,664		1,664
Other Expenses	20,151	1,159	21,310
Advertising and Printing	700		700
Total cash disbursements	<u>167,295</u>	<u>4,485</u>	<u>171,780</u>
Total receipts over/(under) cash disbursements	<u>(7,087)</u>	<u>518</u>	<u>(6,569)</u>
Fund cash balances January 1, 1999	<u>30,205</u>	<u>1,024</u>	<u>31,229</u>
Fund cash balances, December 31, 1999	<u><u>\$23,118</u></u>	<u><u>\$1,542</u></u>	<u><u>\$24,660</u></u>

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

**HARRISON DISTRICT BOARD OF HEALTH
HARRISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Harrison District Board of Health, Harrison County, (the District) is a body corporate and politic established pursuant to Ohio Revised Code § 3709.07. The District operates under the direction of a five member board. The County Auditor and Treasurer are responsible for the fiscal control of the resources of the District. Services provided by the District include: disease education and prevention, septic system approval, environmental services related to individual water systems and food service operations and recording vital statistics.

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

As required by Ohio Revised Code, the District's cash is held and invested by the Harrison 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 County Treasurer's reported carrying amount.

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

Food Service Fund - This fund receives the state portion of food service license fees collected by the District.

Water System - This fund receives the state portion of the water system permits collected by the District.

**HARRISON DISTRICT BOARD OF HEALTH
HARRISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ohio Department of Health Rabies Program Fund - The fund receives state monies for racoon rabies prevention.

E. Budgetary Process

Although the District is not subject to budgetary provisions of the Ohio Revised Code, 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 the 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. Budgetary expenditures may not exceed appropriations at the fund and function level of control and appropriations may not exceed estimate resources. The District may, by resolution, transfer funds from one line 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 reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

Encumbrances are purchase orders, contracts and other commitments for the expenditure of monies that are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain with Board policy. The Board did not consistently utilize the encumbrance method of accounting.

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 District.

**HARRISON DISTRICT BOARD OF HEALTH
HARRISON COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Harrison County Auditor is fiscal officer for the District. The County maintains a cash and investment pool used by all funds. County funds on deposit as of December 31, 2000 were fully collateralized as defined under Ohio Revised Code § 135.37.

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	\$156,390	\$161,474	\$5,084
Special Revenue	10,285	10,640	355
Total	\$166,675	\$172,114	\$5,439

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$190,041	\$166,695	\$23,346
Special Revenue	11,877	10,662	1,215
Total	\$201,918	\$177,357	\$24,561

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$158,525	\$160,208	\$1,683
Special Revenue	4,933	5,003	70
Total	\$163,458	\$165,211	\$1,753

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$176,133	\$167,296	\$8,837
Special Revenue	10,569	4,485	6,084
Total	\$186,702	\$171,781	\$14,921

The District did not properly certify and encumber funds as required by Ohio Revised Code Section 5704.41(D).

**HARRISON DISTRICT BOARD OF HEALTH
HARRISON COUNTY**

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

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. For 2000, the District contributed an amount equal to 10.84% of participants' gross salaries and for 1999, the District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The District also provides health insurance to full-time employees through a private carrier.



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

Harrison District Board of Health
Harrison County
943 B East Market Street
Cadiz, Ohio 43907

To Members of the Board:

We have audited the accompanying financial statements of Harrison District Board of Health, Harrison 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 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* and is described in the accompanying schedule of findings as item 2000-61234-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 11, 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 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 District in a separate letter dated April 11, 2001.

Harrison District Board of Health
Harrison 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, 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

April 11, 2001

HARRISON DISTRICT BOARD OF HEALTH
HARRISON 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 2000-61234-001

Noncompliance Citation

Ohio Revised Code § 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. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the District may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars the fiscal officer issues a certificate, but may authorize it to be paid without the affirmation of the Board.

In 1999, 69% of expenditures tested did not have the certificate of the fiscal officer attached and in 2000, 25% of expenditures tested did not have the certificate of the fiscal officer attached. The Board should properly certify all expenditures.

**HARRISON DISTRICT BOARD OF HEALTH
HARRISON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
1998-61234-001	The District Board of Health did not maintain appropriation and receipt ledgers, nor a cash journal for the Wellness Block Grant Fund or the Immunization Action Grant Fund.	Yes	Not applicable, the District no longer has these funds.



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DISTRICT BOARD OF HEALTH

HARRISON 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 21, 2001**