



**DISTRICT BOARD OF HEALTH
MERCER COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
MERCER COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Mercer County
220 West Livingston Street Suite 3
Celina, Ohio 45822

To the Board of Directors:

We have audited the accompanying financial statements of District Board of Health, Mercer County, (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 May 22, 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.

District Board of Health
Mercer County
Report of Independent Accountants
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This report is intended solely for the information and use of the audit committee, management, Board of Directors 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 22, 2001

**DISTRICT BOARD OF HEALTH
MERCER 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>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Cash receipts:			
Intergovernmental	\$116,250	\$79,185	\$195,435
Charges for services	114,265	13,650	127,915
Licenses and permits	12,848	119,219	132,067
Miscellaneous		60	60
	<u>243,363</u>	<u>212,114</u>	<u>455,477</u>
Total cash receipts			
	<u>243,363</u>	<u>212,114</u>	<u>455,477</u>
Cash disbursements:			
Current:			
Salaries - Employees	162,663	39,147	201,810
Supplies	12,205	5,240	17,445
Equipment	2,926	3,141	6,067
Travel and Expenses	1,945	6,865	8,810
Advertising & Printing	228	780	1,008
Public Employees Retirement	20,532	4,738	25,270
Workers Compensation	106	26	132
Health Insurance	50,790		50,790
Other Expenses	5,224	4,168	9,392
Remittance - State	7,857	68,988	76,845
Contracted Services	191	66,572	66,763
	<u>264,667</u>	<u>199,665</u>	<u>464,332</u>
Total program disbursements			
	<u>264,667</u>	<u>199,665</u>	<u>464,332</u>
Total receipts over/(under) program disbursements	<u>(21,304)</u>	<u>12,449</u>	<u>(8,855)</u>
Other financing receipts/(disbursements):			
Advances-in	3,000	3,000	6,000
Advances-out	<u>(3,000)</u>	<u>(3,000)</u>	<u>(6,000)</u>
Total other financing receipts/(disbursements)	<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>(21,304)</u>	<u>12,449</u>	<u>(8,855)</u>
Fund cash balances January 1, 2000	<u>123,063</u>	<u>67,352</u>	<u>190,415</u>
Fund cash balances, December 31, 2000	<u>\$101,759</u>	<u>\$79,801</u>	<u>\$181,560</u>
Reserve for encumbrances, December 31, 2000	<u>\$2,443</u>	<u>\$66,782</u>	<u>\$69,225</u>

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

**DISTRICT BOARD OF HEALTH
MERCER 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>(Memorandum Only) Total</u>
Cash receipts:			
Intergovernmental	\$116,166	\$57,120	\$173,286
Charges for services	111,776	13,270	125,046
Licenses and permits	<u>12,986</u>	<u>51,375</u>	<u>64,361</u>
 Total cash receipts	 <u>240,928</u>	 <u>121,765</u>	 <u>362,693</u>
Cash disbursements:			
Current:			
Salaries - Employees	167,435	41,714	209,149
Supplies	11,778	3,911	15,689
Equipment	2,187		2,187
Travel and Expenses	1,879	6,612	8,491
Public Employees Retirement	21,620	5,330	26,950
Health Insurance	40,314		40,314
Other Expenses	9,027	4,592	13,619
Remittance - State	8,323	10,500	18,823
Contracted Services	<u> </u>	<u>60,248</u>	<u>60,248</u>
 Total program disbursements	 <u>262,563</u>	 <u>132,907</u>	 <u>395,470</u>
 Total receipts over/(under) program disbursements	 <u>(21,635)</u>	 <u>(11,142)</u>	 <u>(32,777)</u>
Other financing receipts/(disbursements):			
Advances-in	3,000	3,000	6,000
Advances-out	<u>(3,000)</u>	<u>(3,000)</u>	<u>(6,000)</u>
 Total other financing receipts/(disbursements)	 <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	 (21,635)	 (11,142)	 (32,777)
 Fund cash balances January 1, 1999	 <u>144,698</u>	 <u>78,494</u>	 <u>223,192</u>
 Fund cash balances, December 31, 1999	 <u><u>\$123,063</u></u>	 <u><u>\$67,352</u></u>	 <u><u>\$190,415</u></u>
 Reserve for encumbrances, December 31, 1999	 <u><u>\$3,822</u></u>	 <u><u>\$63,711</u></u>	 <u><u>\$67,533</u></u>

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

**DISTRICT BOARD OF HEALTH
MERCER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Mercer 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. 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 Mercer County Treasurer with the Mercer 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. Cash

As required by Ohio Revised Code, the Board's cash is held and invested by the Mercer County Treasurer, who acts as custodian for Board monies. The Board'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 Board uses fund accounting to segregate cash that is 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 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 Board had the following significant Special Revenue Funds:

Food Service Fund - This fund accounts for the sale of food service licenses.

**DISTRICT BOARD OF HEALTH
MERCER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Solid Waste Fund - The fund accounts for the issuance fee for the landfill license and for revenues associated with the contract between the Mercer County Solid Waste District and the Mercer County Board of Health.

Prenatal Fund - This fund accounts for the federal grant transactions.

Water System Fund - This fund accounts for the sale of water permits and the testing of water.

E. 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 of Directors 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.

3. Encumbrances

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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 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 Board.

**DISTRICT BOARD OF HEALTH
MERCER COUNTY**

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

2. BUDGETARY ACTIVITY

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

2000 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$249,475	\$243,363	(\$6,112)
Special Revenue	<u>182,677</u>	<u>212,114</u>	<u>29,437</u>
Total	<u>\$432,152</u>	<u>\$455,477</u>	<u>\$23,325</u>

2000 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$339,950	\$267,110	\$72,840
Special Revenue	<u>329,106</u>	<u>266,447</u>	<u>62,659</u>
Total	<u>\$669,056</u>	<u>\$533,557</u>	<u>\$135,499</u>

1999 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$234,500	\$240,928	\$6,428
Special Revenue	<u>159,560</u>	<u>121,765</u>	<u>(37,795)</u>
Total	<u>\$394,060</u>	<u>\$362,693</u>	<u>(\$31,367)</u>

1999 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$321,116	\$266,385	\$54,731
Special Revenue	<u>263,433</u>	<u>196,618</u>	<u>66,815</u>
Total	<u>\$584,549</u>	<u>\$463,003</u>	<u>\$121,546</u>

**DISTRICT BOARD OF HEALTH
MERCER COUNTY**

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

3. RETIREMENT SYSTEMS

The Board'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, 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.

4. RISK MANAGEMENT

The Board has obtained commercial insurance for the following risks:

- Commercial General Liability
- Professional Liability
- Commercial Crime Coverage

The Board maintains coverage as listed above through private carrier.

Health Department employees receive the same health insurance and dental and vision coverage as do employees of Mercer County.



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

District Board of Health
Mercer County
220 West Livingston Street Suite 3
Celina, Ohio 45822

To the Board of Directors:

We have audited the accompanying financial statements of the District Board of Health, Mercer County, (the Board), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 22, 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 no instances of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Board in a separate letter dated May 22, 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 May 22, 2001.

District Board of Health
Mercer County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 22, 2001



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MERCER DISTRICT BOARD OF HEALTH

MERCER 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**