



**DISTRICT BOARD OF HEALTH
PIKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
PIKE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Pike County
229 Valleyview Drive
Waverly, Ohio 45690

To the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Pike 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 auditing standards generally accepted in the United States of America 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 and reserves for encumbrances of the District Board of Health, Pike 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 the Board of Health, management 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
PIKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	
Cash Receipts:				
Taxes	\$295,725	\$	\$	\$295,725
Intergovernmental	277,653	177,965	105,468	561,086
Licenses, Fees and Permits	40,500	1,240,254		1,280,754
All Other Receipts	8,488		150	8,638
Total Cash Receipts	<u>622,366</u>	<u>1,418,219</u>	<u>105,618</u>	<u>2,146,203</u>
Cash Disbursements:				
Salaries	333,135	558,186		891,321
Supplies	26,599	23,643		50,242
Equipment	531	4,959		5,490
Contract Services	14,190	220,503		234,693
Rentals	12,915	9,736		22,651
Travel Expenses	25,106	48,722		73,828
PERS	32,221	57,344		89,565
Advertising and Printing	649	991		1,640
Remittance - State		71,045		71,045
Project Fund Expense		170,211	85,800	256,011
Worker's Compensation	1,673	2,954		4,627
Hospitalization	38,917	59,349		98,266
Other Exepnses	30,315	91,412		121,727
Medicare	4,338	7,693		12,031
Total Cash Disbursements	<u>520,589</u>	<u>1,326,748</u>	<u>85,800</u>	<u>1,933,137</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>101,777</u>	<u>91,471</u>	<u>19,818</u>	<u>213,066</u>
Other Financing Receipts/(Disbursements):				
Other Sources	1,000			1,000
Total Other Financing Receipts/(Disbursements)	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	102,777	91,471	19,818	214,066
Fund Cash Balances, January 1	315,465	720,387	3,331	1,039,183
Fund Cash Balances, December 31	<u>\$418,242</u>	<u>\$811,858</u>	<u>\$23,149</u>	<u>\$1,253,249</u>
Reserve for Encumbrances, December 31	<u>\$5,529</u>	<u>\$33,777</u>		<u>\$39,306</u>

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

**DISTRICT BOARD OF HEALTH
PIKE COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	
Cash Receipts:				
Taxes	\$286,221	\$	\$	\$286,221
Intergovernmental	278,405	181,472	90,395	550,272
Licenses, Fees and Permits	38,680	1,073,538		1,112,218
All Other Receipts	60,951	2,180	3,870	67,001
Total Cash Receipts	<u>664,257</u>	<u>1,257,190</u>	<u>94,265</u>	<u>2,015,712</u>
Cash Disbursements:				
Salaries	309,350	538,486		847,836
Supplies	21,532	23,356		44,888
Equipment	4,791			4,791
Contract Services	14,510	236,341		250,851
Rentals	11,155			11,155
Travel Expenses	28,910	57,300		86,210
PERS	45,690	76,053		121,743
Advertising and Printing	596			596
Remittance - State		71,570		71,570
Project Fund Expense		171,817	121,993	293,810
Worker's Compensation	9,113	10,994		20,107
Hospitalization	30,789	38,282		69,071
Other Exepnses	78,254	53,862		132,116
Medicare	3,946	7,330		11,276
Total Cash Disbursements	<u>558,636</u>	<u>1,285,391</u>	<u>121,993</u>	<u>1,966,020</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>105,621</u>	<u>(28,201)</u>	<u>(27,728)</u>	<u>49,692</u>
Other Financing Receipts/(Disbursements):				
Refunds	1,639	16		1,655
Total Other Financing Receipts/(Disbursements)	<u>1,639</u>	<u>16</u>		<u>1,655</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	107,260	(28,185)	(27,728)	51,347
Fund Cash Balances, January 1	208,205	748,572	31,059	987,836
Fund Cash Balances, December 31	<u>\$315,465</u>	<u>\$720,387</u>	<u>\$3,331</u>	<u>\$1,039,183</u>
Reserve for Encumbrances, December 31	<u>\$2,774</u>	<u>\$35,436</u>		<u>\$38,210</u>

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

**DISTRICT BOARD OF HEALTH
PIKE 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, Pike County (the District), is a general health district as defined by Section 3709.01, Revised Code. The District 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 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 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 and Investments

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

D. Fund Accounting

The District uses fund accounting to segregate cash that is restricted as to use. 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:

Public Health Nursing Fund - This fund receives monies for the performance of health services to the public.

Early Intervention County Comprehensive Service Grant Fund - This fund services children ages birth to three years old that live in the County and have a handicap. An employee from the District will make home visits to assist in speech, occupational or physical therapy.

**DISTRICT BOARD OF HEALTH
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Funds (Agency Funds)

Funds for which the District is acting in an agency capacity are classified as agency funds. The District had the following significant Fiduciary Fund:

Wellness Block Grant Fund - This fund receives monies to be spent on preventing teenage pregnancies throughout the County. These funds are spent for videos, literature, and make believe dolls for teenagers to take care of similar to an infant.

E. Budgetary Process

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

1. Appropriations

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 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.

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 District to reserve (encumber) appropriations when individual 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 3.

**DISTRICT BOARD OF HEALTH
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 was as follows:

<u>2000</u>	<u>1999</u>
<u>\$1,253,249</u>	<u>\$1,039,183</u>

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 544,470	\$ 623,366	\$ 78,896
Special Revenue	<u>1,190,227</u>	<u>1,418,219</u>	<u>227,992</u>
Total	<u>\$ 1,734,697</u>	<u>\$ 2,041,585</u>	<u>\$ 306,888</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 591,074	\$ 526,118	\$ 64,956
Special Revenue	<u>1,483,222</u>	<u>1,360,525</u>	<u>122,697</u>
Total	<u>\$ 2,074,296</u>	<u>\$ 1,886,643</u>	<u>\$ 187,653</u>

**DISTRICT BOARD OF HEALTH
PIKE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 417,054	\$ 665,896	\$ 248,842
Special Revenue	<u>757,898</u>	<u>1,257,206</u>	<u>499,308</u>
Total	<u>\$ 1,174,952</u>	<u>\$ 1,923,102</u>	<u>\$ 748,150</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 612,051	\$ 561,410	\$ 50,641
Special Revenue	<u>1,416,627</u>	<u>1,320,827</u>	<u>95,800</u>
Total	<u>\$ 2,028,678</u>	<u>\$ 1,882,237</u>	<u>\$ 146,441</u>

4. PROPERTY TAX

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

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 SYSTEM

The District's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. Effective July 1, 2000 the employer's contribution rate decreased to 8.13% of the participants' gross salaries. The District has paid all contributions required through December 31, 2000.

**DISTRICT BOARD OF HEALTH
PIKE COUNTY**

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

6. RISK MANAGEMENT

The Pike 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 is covered by these policies. The County also has a blanket policy which covers all employees of the District to cover loss related to torts, theft of, damage to, and destruction of assets, errors, and omissions.

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

District Board of Health
Pike County
229 Valleyview Drive
Waverly, Ohio 45690

To the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Pike 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 auditing standards generally accepted in the United States of America 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 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 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 May 31, 2001.

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

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PIKE COUNTY DISTRICT BOARD OF HEALTH

PIKE 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 31, 2001**