

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

MARIETTA, OHIO

AUDIT REPORT

DECEMBER 31, 2000

SNODGRASS
Certified Public Accountants and Consultants





STATE OF OHIO
OFFICE OF THE AUDITOR
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Board of Directors
District Board of Health
Washington County
Marietta, Ohio 45750

We have reviewed the Independent Auditor's Report of the Washington County District Board of Health, Washington County, prepared by S. R. Snodgrass, A. C., for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Washington County District Board of Health is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

July 25, 2001

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**District Board of Health
Washington County
December 31, 2000**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
District Board of Health
Washington County
Marietta, OH 45750

We have audited the accompanying financial statements of the District Board of Health of Washington County, ("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 described 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 accounting principles generally accepted in the United States of America.

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, Washington County, as of December 31, 2000 and 1999, and its combined cash receipts and cash 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 a report dated June 14, 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. This 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.

D. R. Snodgrass, A.C.

Wheeling, West Virginia
June 14, 2001

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

	Governmental Fund Type		Total (Memorandum Only)
	General	Special Revenue	
CASH RECEIPTS			
Dental Sealant Grant	\$ -	\$ 21,211	\$ 21,211
Health Alert Network Grant	58,335	14,209	72,544
Rabies Prevention Grant	-	5,000	5,000
State subsidy	12,364	-	12,364
Medicaid	-	7,590	7,590
Third party payments	-	6,560	6,560
Subdivisions	170,000	-	170,000
Inspection fees	10,730	-	10,730
Permits	32,700	3,228	35,928
Fees	7,907	60,198	68,105
Licenses	7,505	33,439	40,944
Contractual service	-	61,665	61,665
Other revenue	7,724	7,600	15,324
	<u>307,265</u>	<u>220,700</u>	<u>527,965</u>
Total cash receipts			
CASH DISBURSEMENTS			
Salaries	197,794	103,715	301,509
Payroll taxes	5,026	-	5,026
Public employees retirement	31,675	-	31,675
Equipment	27,110	-	27,110
Insurance	38,373	-	38,373
Supplies	4,691	8,905	13,596
Contract services	12,240	36,422	48,662
Travel	19,126	8,545	27,671
Advertising and printing	295	-	295
State remittance	-	5,049	5,049
Water testing fee	-	1,540	1,540
Returned to grantor	-	6,101	6,101
Other expenses	8,099	44,061	52,160
	<u>344,429</u>	<u>214,338</u>	<u>558,767</u>
Total cash disbursements			
TOTAL CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	<u>(37,164)</u>	<u>6,362</u>	<u>(30,802)</u>
OTHER FINANCING RECEIPTS/(DISBURSEMENTS)			
Advances in	1,400	10,200	11,600
Advances out	(1,400)	(10,200)	(11,600)
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing receipts/(disbursements)			
EXCESS/(DEFICIT) OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS	<u>(37,164)</u>	<u>6,362</u>	<u>(30,802)</u>
FUND CASH BALANCE, JANUARY 1, 2000	<u>74,936</u>	<u>54,464</u>	<u>129,400</u>
FUND CASH BALANCE, DECEMBER 31, 2000	<u>\$ 37,772</u>	<u>\$ 60,826</u>	<u>\$ 98,598</u>
RESERVE FOR ENCUMBRANCES, DECEMBER 31, 2000	<u>\$ 4,596</u>	<u>\$ 14,916</u>	<u>\$ 19,512</u>

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

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

	Governmental Fund Type		Total (Memorandum Only)
	General	Special Revenue	
CASH RECEIPTS			
Dental Sealant Grant	\$ -	\$ 22,679	\$ 22,679
Pediatric Grant	-	319	319
Federal Substance Abuse Grant	-	1,500	1,500
State subsidy	6,065	-	6,065
Medicaid	-	4,866	4,866
Third party payments	-	5,045	5,045
Subdivisions	170,000	-	170,000
Inspection fees	10,150	-	10,150
Permits	30,400	2,888	33,288
Fees	7,660	63,012	70,672
Licenses	6,770	32,053	38,823
Contractual service	-	30,251	30,251
Other revenue	219	4,820	5,039
	<u>231,264</u>	<u>167,433</u>	<u>398,697</u>
Total cash receipts			
CASH DISBURSEMENTS			
Salaries	127,475	46,356	173,831
Payroll taxes	9,261	-	9,261
Public employees retirement	27,574	-	27,574
Insurance	23,461	-	23,461
Supplies	4,026	8,702	12,728
Contract services	10,460	92,956	103,416
Travel	13,516	604	14,120
State remittance	-	4,830	4,830
Water testing fee	-	1,222	1,222
Car seats	-	839	839
Other expenses	21,632	59,993	81,625
	<u>237,405</u>	<u>215,502</u>	<u>452,907</u>
Total cash disbursements			
TOTAL CASH RECEIPTS UNDER CASH DISBURSEMENTS	<u>(6,141)</u>	<u>(48,069)</u>	<u>(54,210)</u>
OTHER FINANCING RECEIPTS/(DISBURSEMENTS)			
Advances in	8,000	-	8,000
Advances out	-	(8,000)	(8,000)
	<u>8,000</u>	<u>(8,000)</u>	<u>-</u>
Total other financing receipts/(disbursements)			
EXCESS/(DEFICIT) OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS	1,859	(56,069)	(54,210)
FUND CASH BALANCE, JANUARY 1, 1999	<u>73,077</u>	<u>110,533</u>	<u>183,610</u>
FUND CASH BALANCE, DECEMBER 31, 1999	<u>\$ 74,936</u>	<u>\$ 54,464</u>	<u>\$ 129,400</u>
RESERVE FOR ENCUMBRANCES, DECEMBER 31, 1999	<u>\$ 22,903</u>	<u>\$ 5,242</u>	<u>\$ 28,145</u>

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

**District Board of Health
Washington County
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity - The District Board of Health, Washington County ("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 governmental services, including referrals to Bureau of Crippled Children Services Program, communicable diseases investigations, immunization clinics, tuberculosis screening, home visits, issuance of various licenses and permits, including inspections, birth and death certificates, and other related services.

The District's management believes these financial statements represent all activities for which the District is financially accountable.

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 a payment is made 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.

Cash and Investments - The Washington County Treasurer maintains a cash pool used by all funds of Washington County. The deposits of the District are in this pool with other County funds. 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 December 31, 1999, is made in the County's Annual Financial Report for the year ended December 31, 2000, and December 31, 1999, respectively.

Fund Accounting - The District uses fund accounting to segregate cash that is restricted as to use. The District classifies its funds into the following types:

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 accounted for in another fund.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are legally restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

- a. Public Health Nursing Fund - This fund receives funds from Immunization Clinics, Well Child Clinics, as well as a pediatric grant to provide nursing services to the County.
- b. Food Service Fund - This fund receives funds from food service licenses.
- c. Dental Sealant Fund - This fund receives grant money to provide dental screenings and sealants to the County.

**District Board of Health
Washington County
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process - An appropriations 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 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.

A summary of the 2000 and 1999 budgetary activity appears in Note 3.

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.

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.

NOTE 2 - EQUITY IN POOLED CASH

The Washington County Treasurer maintains a cash pool used by all of the funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$ 98,598</u>	<u>\$ 129,400</u>

The Washington County Treasurer is responsible for maintaining adequate depository collateral for all funds in Washington County's pooled and deposit accounts.

**District Board of Health
Washington County
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999**

NOTE 3 - BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 308,665	\$ 308,665	\$ -
Special Revenue	<u>254,891</u>	<u>230,900</u>	<u>(23,991)</u>
Total	<u>\$ 563,556</u>	<u>\$ 539,565</u>	<u>\$ (23,991)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 396,641	\$ 350,425	\$ 46,216
Special Revenue	<u>311,690</u>	<u>239,454</u>	<u>72,236</u>
Total	<u>\$ 708,331</u>	<u>\$ 589,879</u>	<u>\$ 118,452</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 252,786	\$ 239,264	\$ (13,522)
Special Revenue	<u>172,343</u>	<u>167,433</u>	<u>(4,910)</u>
Total	<u>\$ 425,129</u>	<u>\$ 406,697</u>	<u>\$ (18,432)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 305,937	\$ 260,308	\$ 45,629
Special Revenue	<u>254,886</u>	<u>228,744</u>	<u>26,142</u>
Total	<u>\$ 560,823</u>	<u>\$ 489,052</u>	<u>\$ 71,771</u>

**District Board of Health
Washington County
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999**

NOTE 4 - RETIREMENT SYSTEMS

The District's elected officials and employees belong to the Public Employees Retirement System ("PERS") of Ohio. PERS is a cost-sharing, multiple-employer defined benefit pension plan. This plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.

PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employees and employer contributions. For 2000 and 1999, members of PERS contributed 8.5% of their salaries. The District contributed an amount equal to 13.55% of participant's gross salaries. The District has paid all contributions required through December 31, 2000.

NOTE 5 - RISK MANAGEMENT

The District has obtained commercial insurance coverage for the following risks:

- General liability and casualty
- Vehicles
- Property

SNODGRASS

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Board of Directors
District Board of Health
Washington County
Marietta, OH 45750

We have audited the financial statements of the District Board of Health, Washington County (District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 14, 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 reported to the management of the District Board of Health in a separate letter dated June 14, 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 and its operation reporting 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 June 14, 2001.

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

J. R. Snodgrass, A.C.

Wheeling, West Virginia
June 14, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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WASHINGTON COUNTY DISTRICT BOARD OF HEALTH

WASHINGTON 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
AUGUST 9, 2001**