



**DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Franklin County
280 East Broad Street
Columbus, Ohio 43215

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Franklin County, Ohio (the District) as of and for the years ended December 31, 2001 and 2000. 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 as of December 31, 2001 and 2000, 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 January 18, 2002 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 audit committee, 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

January 18, 2002

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**DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Receipts	1,312,624	937,279	2,249,903
Licenses and Permits		1,342,205	1,342,205
Charges for Services	256,560	241,483	498,043
Fines		16,292	16,292
Other receipts		1,849	1,849
	<u>1,569,184</u>	<u>2,539,108</u>	<u>4,108,292</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	483,468	1,519,504	2,002,972
Supplies	38,093	118,832	156,925
Remittances to State		115,683	115,683
Equipment	45,012	5,201	50,213
Contracts - Repair	19,545	6,162	25,707
Contracts - Services	137,867	474,147	612,014
Rentals	76,832	8,519	85,351
Travel	3,670	13,366	17,036
Vehicles	51,698		51,698
Advertising and printing	16,669	9,692	26,361
Public employee's retirement	139,206	314,026	453,232
Worker's compensation	776	3,019	3,795
Unemployment compensation			
Other	61,541	225,092	286,633
	<u>1,074,377</u>	<u>2,813,243</u>	<u>3,887,620</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>494,807</u>	<u>(274,135)</u>	<u>220,672</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	200,000	200,000
Transfers-Out	(200,000)	0	(200,000)
Refunds	12,070	179	12,249
	<u>(187,930)</u>	<u>200,179</u>	<u>12,249</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	306,877	(73,956)	232,921
Fund Cash Balances, January 1, 2001	<u>112,015</u>	<u>413,362</u>	<u>525,377</u>
Fund Cash Balances, December 31, 2001	<u>\$418,892</u>	<u>\$339,406</u>	<u>\$758,298</u>
Reserve for Encumbrances, December 31, 2001	<u>\$14,338</u>	<u>\$42,487</u>	<u>\$56,825</u>

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

**DISTRICT BOARD OF HEALTH
FRANKLIN 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>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Receipts	1,203,500	599,438	1,802,938
Licenses and Permits		1,017,803	1,017,803
Charges for Services	163,903	636,134	800,037
Fines		88,277	88,277
Other receipts	7,538	53,208	60,746
	<u>1,374,941</u>	<u>2,394,860</u>	<u>3,769,801</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	469,358	1,432,339	1,901,697
Supplies	70,073	116,729	186,802
Remittances to State		111,698	111,698
Equipment	77,276	9,378	86,654
Contracts - Repair	12,206	4,975	17,181
Contracts - Services	136,076	469,994	606,070
Rentals	109,105	4,349	113,454
Travel	7,248	8,938	16,186
Vehicles			
Advertising and printing	19,338		19,338
Public employee's retirement	108,889	238,972	347,861
Worker's compensation	901	29,824	30,725
Unemployment compensation		1,984	1,984
Other	51,359	234,691	286,050
	<u>1,061,829</u>	<u>2,663,871</u>	<u>3,725,700</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>313,112</u>	<u>(269,011)</u>	<u>44,101</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	405,000	405,000
Transfers-Out	(405,000)	0	(405,000)
Refunds	7,907	95	8,002
Reimbursements	130	0	130
	<u>(396,963)</u>	<u>405,095</u>	<u>8,132</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(83,851)	136,084	52,233
Fund Cash Balances, January 1, 2000	<u>195,866</u>	<u>277,278</u>	<u>473,144</u>
Fund Cash Balances, December 31, 2000	<u>\$112,015</u>	<u>\$413,362</u>	<u>\$525,377</u>
Reserve for Encumbrances, December 31, 2000	<u>\$1,776</u>	<u>\$88,766</u>	<u>\$90,542</u>

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

**DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The District Board of Health, Franklin County, Ohio, (the District) 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 District is directed by a five-member Board and a Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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 County Treasurer is custodian for the District's cash. 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 restricted by law or contract.

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 money from subdivision tax, health services contracts, grants, and charges for services.

Environmental Fund - This fund receives money from license and permit fees, fines and forfeitures, grants, and charges for services.

**DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

1. Appropriations

The Board of Health shall, annually, on or before the first Monday of April, adopt an itemized appropriation measure. Such appropriation measure shall set forth the amounts for the current expenses of such district for the fiscal year beginning on the first day of January next ensuing, and subsequent amendments. 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 District uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

A summary of 2001 and 2000 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. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under District's basis of accounting.

H. FISCAL AGENT

Franklin County served as the fiscal agent for the Board of Health for the period January 1, 2000 through December 31, 2001. The Board's funds are maintained as an agency fund on the County's accounting records.

**DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH

The Franklin County Treasurer maintains a cash pool used by all the County's funds, including those of the Board of Health. The Ohio Revised Code prescribes allowable deposits and investments. The Board's carrying amount of cash on deposit with the County at December 31, 2001 was \$758,298 and December 31, 2000 was \$525,377. The Franklin County Treasurer, as fiscal agent for the Board, is responsible for maintaining adequate depository collateral for all funds maintained in the Franklin County's accounts.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,443,000	\$1,581,254	\$138,254
Special Revenue	3,049,500	2,739,287	(310,213)
Total	<u>\$4,492,500</u>	<u>\$4,320,541</u>	<u>(\$171,959)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,411,650	\$1,288,715	\$122,935
Special Revenue	3,131,387	2,855,730	275,657
Total	<u>\$4,543,037</u>	<u>\$4,144,445</u>	<u>\$398,592</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,357,000	\$1,382,978	\$25,978
Special Revenue	2,980,050	2,814,425	(165,625)
Total	<u>\$4,337,050</u>	<u>\$4,197,403</u>	<u>(\$139,647)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,542,664	\$1,468,605	\$74,059
Special Revenue	2,996,304	2,767,107	229,197
Total	<u>\$4,538,968</u>	<u>\$4,235,712</u>	<u>\$303,256</u>

**DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities comprising the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in Intergovernmental Receipts in the financial statements. The contract cities of Dublin, Gahanna, Grandview, Grove City, Hilliard, Reynoldsburg, Upper Arlington, Westerville, and Whitehall comprise the District.

5. RETIREMENT SYSTEM

The District'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. Beginning January 1, 2000, PERS members contributed 8.5% of their gross salaries through June 18, 2000. Effective June 19, 2000, PERS members contributed 4% of their gross salaries while the District picked-up the remaining 4.5% per the latest benefit package. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. The District has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Professional and general liability;
- Vehicles; and
- Errors and omissions.

The Board also provides health insurance, dental, and vision coverage to full-time employees through a private carrier.

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



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

District Board of Health
Franklin County
280 East Broad Street
Columbus, Ohio 43215

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Franklin County, Ohio as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated January 18, 2002. 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 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 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.

District Board of Health
Franklin County
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, management and 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

January 18, 2002



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DISTRICT BOARD OF HEALTH

FRANKLIN 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
FEBRUARY 26, 2002**