

**DISTRICT BOARD OF HEALTH
HOLMES COUNTY**

**FINANCIAL STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2001 AND 2000**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398
www.auditor.state.oh.us

District Board of Health, Holmes County
931 Wooster Road
Millersburg, Ohio 44656

We have reviewed the Independent Auditor's Report of the Holmes County District Board of Health, prepared by Rea & Associates, Inc., for the audit period January 1, 2000 through December 31, 2001. 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 Holmes County District Board of Health is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

February 19, 2002

This Page is Intentionally Left Blank.

DISTRICT BOARD OF HEALTH
HOLMES COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Appointed Administrative Officials.....	(i)
Index of Funds.....	(ii)
Independent Auditors' Report.....	1
Combined Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2001	2
Combined Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2000.....	3
Combined Statement of Receipts - Budget and Actual For the Year Ended December 31, 2001	4
Combined Statement of Receipts - Budget and Actual For the Year Ended December 31, 2000.....	5
Combined Statement of Disbursements and Encumbrances Compared With Expenditure Authority For the Year Ended December 31, 2001.....	6
Combined Statement of Disbursements and Encumbrances Compared With Expenditure Authority For the Year Ended December 31, 2000.....	7
Notes to Financial Statements	8-11
Independent Auditors' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	12-13

This Page is Intentionally Left Blank.

DISTRICT BOARD OF HEALTH, HOLMES COUNTY

Appointed Administrative Officials as of December 31, 2001

For the Years Ended December 31, 2001 and 2000

<u>NAME</u>	<u>TITLE</u>	<u>APPOINTED TERM</u>
Dale Lahm	President	3/1/99 - 2/28/04
Carol Miller	Vice-President	3/1/97 - 2/28/02
Daniel Miller, M.D.	Board Member	3/1/00 - 2/28/05
Paul Miller	Board Member	3/1/01 - 2/28/06
Carol Remington	Board Member	3/1/00 - 2/28/03
Maurice Mullet, M.D.	Health Commissioner	1/1/01 - 12/31/04
Nyla Burick (A)	Fiscal Officer	Employee

Statutory Legal Counsel
Robert Rinfret, Prosecuting Attorney
91 South Monroe Street
Millersburg, Ohio 44654

Official Address
District Board of Health
931 Wooster Road
Millersburg, Ohio 44654

(A) Covered by the county blanket bond.

DISTRICT BOARD OF HEALTH, HOLMES COUNTY

Index of Funds

For the Years Ended December 31, 2001 and 2000

GOVERNMENTAL FUND TYPE:

General Fund Type:
District Health Fund

Special Revenue Fund Type:
Water System Fund
Women, Infants and Children Fund
Solid Waste Fund
Sewage Program
Home Care Fund
Clinic Fund
RV Park/Camp/Marina Fund
Swimming Pool Fund
Manufacturing Home Park Fund
Hospice Fund
Child and Family Health Service Fund
Preventative Health Service Fund
Hospice Endowment Fund
Addiction Recovery Fund
Safe Communities Fund
Immunization Grant Fund
Food Service Fund

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

January 11, 2002

To the District Board of Health, Holmes County
Millersburg, OH 44654

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the District Board of Health, Holmes County (the "District"), as of and for the years ended December 31, 2001 and 2000, as listed in the table of contents. 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 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 District Board of Health, Holmes County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances, 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 January 11, 2002 on our consideration of the District Board of Health, Holmes County's internal control over financial reporting and our tests of its compliance with 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 officials authorized to receive this report under Section 117.26 of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

DISTRICT BOARD OF HEALTH DEPARTMENT*Combined Statement of Cash Receipts, Disbursements,
and Changes in Fund Cash Balances***All Governmental Fund Types**

For the Year Ended December 31, 2001

	GENERAL	SPECIAL REVENUE	TOTAL (MEMORANDUM ONLY)
<u>RECEIPTS</u>			
Subsidies	\$ 185,595	\$ 48,600	\$ 234,195
Contracts	138,258	11,146	149,404
Grants	52,706	194,739	247,445
Fees, Licenses and Permits	108,885	921,995	1,030,880
Interest	2,436	6,994	9,430
Other	83,735	179,645	263,380
TOTAL RECEIPTS	571,615	1,363,119	1,934,734
<u>DISBURSEMENTS</u>			
Personnel	384,586	753,298	1,137,884
Travel/Conference	19,918	23,591	43,509
Supplies	27,049	90,363	117,412
Other Expenses	39,046	203,893	242,939
Equipment	6,950	30,115	37,065
Office Space Costs	35,657	2,416	38,073
Grant Refund	0	485	485
TOTAL DISBURSEMENTS	513,206	1,104,161	1,617,367
EXCESS OF RECEIPTS OVER DISBURSEMENTS	58,409	258,958	317,367
<u>OTHER FINANCING SOURCES (USES)</u>			
Advances-In	0	48,330	48,330
Advances-Out	(48,330)	0	(48,330)
TOTAL OTHER FINANCING SOURCES (USES)	(48,330)	48,330	0
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER USES	10,079	307,288	317,367
FUND CASH BALANCES, JANUARY 1, 2001	89,178	216,258	305,436
FUND CASH BALANCES, DECEMBER 31, 2001	\$ 99,257	\$ 523,546	\$ 622,803

See accompanying notes to the financial statements.

DISTRICT BOARD OF HEALTH DEPARTMENT*Combined Statement of Cash Receipts, Disbursements,
and Changes in Fund Cash Balances***All Governmental Fund Types**

For the Year Ended December 31, 2000

	GENERAL	SPECIAL REVENUE	TOTAL (MEMORANDUM ONLY)
<u>RECEIPTS</u>			
Subsidies	\$ 185,787	\$ 58,400	\$ 244,187
Contracts	72,913	1,388	74,301
Grants	40,439	281,266	321,705
Fees, Licenses and Permits	87,472	641,777	729,249
Interest	610	4,596	5,206
Other	77,090	160,543	237,633
TOTAL RECEIPTS	464,311	1,147,970	1,612,281
<u>DISBURSEMENTS</u>			
Personnel	316,209	687,437	1,003,646
Travel/Conference	18,492	19,846	38,338
Supplies	18,110	98,351	116,461
Other Expenses	39,913	110,296	150,209
Equipment	19,416	41,182	60,598
Office Space Costs	42,306	13,250	55,556
Grant Refund	0	817	817
TOTAL DISBURSEMENTS	454,446	971,179	1,425,625
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	9,865	176,791	186,656
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers-In	0	15,000	15,000
Transfers-Out	(15,000)	0	(15,000)
Advances-In	0	14,000	14,000
Advances-Out	(14,000)	0	(14,000)
TOTAL OTHER FINANCING SOURCES (USES)	(29,000)	29,000	0
EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES	(19,135)	205,791	186,656
FUND CASH BALANCES, JANUARY 1, 2000	108,313	10,467	118,780
FUND CASH BALANCES, DECEMBER 31, 2000	\$ 89,178	\$ 216,258	\$ 305,436

See accompanying notes to the financial statements.

DISTRICT BOARD OF HEALTH DEPARTMENT
Combined Statement of Receipts - Budget and Actual
For the Year Ended December 31, 2001

<u>Fund Types/Funds</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental			
General	\$ 474,395	\$ 571,615	\$ 97,220
Special Revenue	<u>1,245,711</u>	<u>1,363,119</u>	<u>117,408</u>
Total (Memorandum Only)	<u>\$ 1,720,106</u>	<u>\$ 1,934,734</u>	<u>\$ 214,628</u>

See accompanying notes to the financial statements.

DISTRICT BOARD OF HEALTH DEPARTMENT
Combined Statement of Receipts - Budget and Actual
 For the Year Ended December 31, 2000

<u>Fund Types/Funds</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental			
General	\$ 448,290	\$ 464,311	\$ 16,021
Special Revenue	<u>1,122,350</u>	<u>1,147,970</u>	<u>25,620</u>
Total (Memorandum Only)	<u>\$ 1,570,640</u>	<u>\$ 1,612,281</u>	<u>\$ 41,641</u>

See accompanying notes to the financial statements.

DISTRICT BOARD OF HEALTH DEPARTMENT
Combined Statement of Disbursements and Encumbrances Compared With Expenditure Authority
For the Year Ended December 31, 2001

<u>Fund Types/Fund</u>	<u>Prior Year Carryover Appropriations</u>	<u>2001 Appropriations</u>	<u>Total</u>	<u>Actual 2001 Disbursements</u>	<u>Encumbrances Outstanding at 12-31-01</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental							
General	\$ 615	\$ 587,105	\$ 587,720	\$ 513,206	\$ 0	\$ 513,206	\$ 74,514
Special Revenue	1,368	1,142,551	1,143,919	1,104,161	0	1,104,161	39,758
Total (Memorandum Only)	<u>\$ 1,983</u>	<u>\$ 1,729,656</u>	<u>\$ 1,731,639</u>	<u>\$ 1,617,367</u>	<u>\$ 0</u>	<u>\$ 1,617,367</u>	<u>\$ 114,272</u>

See accompanying notes to the financial statements.

DISTRICT BOARD OF HEALTH DEPARTMENT
Combined Statement of Disbursements and Encumbrances Compared With Expenditure Authority
For the Year Ended December 31, 2000

<u>Fund Types/Fund</u>	<u>Prior Year Carryover Appropriations</u>	<u>2000 Appropriations</u>	<u>Total</u>	<u>Actual 2000 Disbursements</u>	<u>Encumbrances Outstanding at 12-31-00</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental							
General	\$ 6,615	\$ 502,569	\$ 509,184	\$ 454,446	\$ 615	\$ 455,061	\$ 54,123
Special Revenue	3,117	1,122,798	1,125,915	971,179	1,368	972,547	153,368
Total (Memorandum Only)	<u>\$ 9,732</u>	<u>\$ 1,625,367</u>	<u>\$ 1,635,099</u>	<u>\$ 1,425,625</u>	<u>\$ 1,983</u>	<u>\$ 1,427,608</u>	<u>\$ 207,491</u>

See accompanying notes to the financial statements.

DISTRICT BOARD OF HEALTH, HOLMES COUNTY

Notes to the General Purpose Financial Statements
December 31, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health is a body politic and corporate established under Section 3709.01, Revised Code, for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under the direction of a five-member appointed board and appointed health commissioner. Services provided by the District include referrals to Bureau of Crippled Children Services Program, communicable disease investigations, immunization clinics, tuberculosis screening, home visits, various licenses and permits, including inspections, birth and death certificates and related services.

As health districts are structured in Ohio, the County Auditor and County Treasurer serve, respectively, as fiscal officer and custodian of funds for the District. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments. As the custodian of public funds, the County Treasurer invests District monies held on deposit in the County Treasury.

Management believes the financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

B. Basis of Accounting

The District prepares its financial statements on a basis of - accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements - basis of accounting, consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

C. Fund Accounting

The District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each type of funds are as follows:

DISTRICT BOARD OF HEALTH, HOLMES COUNTY

Notes to the General Purpose Financial Statements
December 31, 2001 and 2000

NOTE 1 - (continued)

Governmental Fund Types:

General Fund - The District Health Fund is the general operating fund of the District. 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 - To account for proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes.

D. Property, Plant, and Equipment

Fixed assets acquired or constructed for general governmental service are recorded as disbursements. Depreciation is not recorded for these fixed assets.

E. Accumulated Unpaid Vacation and Sick Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Accumulated unpaid vacation and sick leave are not accrued under the cash basis of accounting described in Note 1. All leave will either be absorbed by time off from work or, within certain limitations, be paid to the employees.

F. Total Columns of Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 2 - EQUITY IN POOLED CASH

The Holmes County Auditor serves as fiscal agent for the District and the investment of county funds, including District funds, is determined by the Holmes County Treasurer. By law, investment control over investments is handled by the County Treasurer.

DISTRICT BOARD OF HEALTH, HOLMES COUNTY

Notes to the General Purpose Financial Statements
December 31, 2001 and 2000

NOTE 3 - RISK MANAGEMENT

The Board of County Commissioners of Holmes County and the District Board of Health 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 also provides health and life insurance to its employees through private carriers.

NOTE 4 - RETIREMENT COMMITMENTS

The employees of the District were covered by the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The State of Ohio accounts for the activities of the retirement system, and the amount of that fund is not reflected in the accompanying financial statements. For each of the years ended December 31, 2001 and 2000, District employees contributed 8.5 percent of their gross wages. The District matched this with a contribution equal to 13.55 percent of employees' gross wages. The District has paid all contributions required through December 31, 2001 and 2000.

NOTE 5 - LEASES

The District has a lease agreement for a copier. The following is a schedule of the future minimum payments required as of December 31, 2001

<u>Year</u>	<u>Obligation</u>
2002	\$ 3,996
2003	3,996
2004	3,996
2005	<u>2,664</u>
	<u>\$ 14,652</u>

These expenditures are reflected as program expenditures on a cash basis.

DISTRICT BOARD OF HEALTH, HOLMES COUNTY

Notes to the General Purpose Financial Statements
December 31, 2001 and 2000

NOTE 6 - 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.

This Page is Intentionally Left Blank.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

January 11, 2002

Board of Directors
District Board of Health, Holmes County
Millersburg, Ohio 44654

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We have audited the financial statements of District Board of Health, Holmes County as of and for the years ended December 31, 2001 and 2000 and have issued our report thereon dated January 11, 2002.

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 District Board of Health, Holmes County'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 statements 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 District Board of Health, Holmes County'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 we have reported to management of District Board of Health, Holmes County in a separate letter dated January 11, 2002.

This report is intended for the information of the board of directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

HOLMES COUNTY DISTRICT BOARD OF HEALTH

HOLMES 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**