

**DISTRICT BOARD OF HEALTH  
HOLMES COUNTY**

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**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED DECEMBER 31, 1999 AND 1998**

**Rea & Associates, Inc.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**DISTRICT BOARD OF HEALTH  
HOLMES COUNTY**

**\*\*\*\*\***

**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED DECEMBER 31, 1999 AND 1998**

**DISTRICT BOARD OF HEALTH**  
**HOLMES COUNTY**

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**DISTRICT BOARD OF HEALTH, HOLMES COUNTY**

**Appointed Administrative Officials as of December 31, 1999**

For the Years Ended December 31, 1999 and 1998

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<u>NAME</u>	<u>TITLE</u>	<u>APPOINTED TERM</u>
Dale Lahm	President	3/1/99 - 2/28/04
Paul Miller	Vice-President	3/1/96 - 2/28/01
Daniel Miller, M.D.	Board Member	3/1/95 - 2/29/00
Carol Miller	Board Member	3/1/97 - 2/28/02
Marilyn Spreng	Board Member	3/1/99 - 2/28/03
Maurice Mullet, M.D.	Health Commissioner	4/28/97 - 12/31/00
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, 1999 and 1998

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**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

Early Intervention Grant Fund

Addiction Recovery Fund

Safe Communities Fund

Immunization Grant Fund

Food Service Fund



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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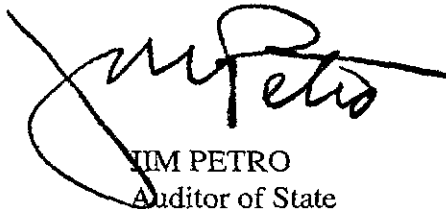
JIM PETRO, AUDITOR OF STATE

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P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

District Board of Health, Holmes County  
931 Wooster Road  
Millersburg, OH 44654

We have reviewed the independent auditor's report of the District Board of Health, Holmes County, prepared by Rea & Associates, Inc., for the audit period January 1, 1998 through December 31, 1999. 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 District Board of Health, Holmes County, is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

June 15, 2000

212 North Washington Street  
Millersburg, Ohio 44654-1122  
330 - 674 - 6055

**Rea & Associates, Inc.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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May 16, 2000

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, 1999 and 1998, 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 generally accepted auditing standards; *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 a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of The State of Ohio, 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, 1999 and 1998, 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 a report dated May 16, 2000 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.

*Rea & Associates, Inc.*

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Columbus  
New Philadelphia  
Millersburg  
Coshocton  
Cambridge  
Marietta  
Medina  
Lima

**Providing Professional Services for 60 Years**

**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, 1999

	GENERAL	SPECIAL REVENUE	TOTAL (MEMORANDUM ONLY)
<b><u>RECEIPTS</u></b>			
Subsidies	\$ 191,688	\$ 32,000	\$ 223,688
Contracts	52,632	0	52,632
Grants	63,810	191,590	255,400
Fees, Licenses and Permits	92,017	569,615	661,632
Interest	472	0	472
Other	93,638	149,558	243,196
<b>TOTAL RECEIPTS</b>	<b>494,257</b>	<b>942,763</b>	<b>1,437,020</b>
<b><u>DISBURSEMENTS</u></b>			
Personnel	289,118	744,703	1,033,821
Consultants	0	0	0
Self Development/Recruitment	0	0	0
Travel/Conference	13,313	25,928	39,241
Supplies	9,098	62,458	71,556
Other Expenses	38,639	58,533	97,172
Equipment	24,079	15,262	39,341
Office Space Costs	70,390	4,177	74,567
Grant Refund	0	8,071	8,071
<b>TOTAL DISBURSEMENTS</b>	<b>444,637</b>	<b>919,132</b>	<b>1,363,769</b>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>49,620</b>	<b>23,631</b>	<b>73,251</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers-In	0	0	0
Transfers-Out	0	0	0
Advances-In	81,000	15,500	96,500
Advances-Out	(15,500)	(81,000)	(96,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>65,500</b>	<b>(65,500)</b>	<b>0</b>
<b>EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES</b>	<b>115,120</b>	<b>(41,869)</b>	<b>73,251</b>
<b>FUND CASH BALANCES, JANUARY 1, 1999</b>	<b>(6,807)</b>	<b>52,336</b>	<b>45,529</b>
<b>FUND CASH BALANCES, DECEMBER 31, 1999</b>	<b>108,313</b>	<b>10,467</b>	<b>118,780</b>

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, 1998

	GENERAL	SPECIAL REVENUE	TOTAL (MEMORANDUM ONLY)
<b><u>RECEIPTS</u></b>			
Subsidies	\$ 174,478	\$ 27,350	\$ 201,828
Contracts	13,577	0	13,577
Grants	66,676	230,864	297,540
Fees, Licenses and Permits	34,100	766,217	800,317
Interest	1,779	0	1,779
Other	90,386	72,320	162,706
<b>TOTAL RECEIPTS</b>	<b>380,996</b>	<b>1,096,751</b>	<b>1,477,747</b>
<b><u>DISBURSEMENTS</u></b>			
Personnel	264,862	848,765	1,113,627
Consultants	2,824	0	2,824
Self Development/Recruitment	2,599	0	2,599
Travel/Conference	11,245	34,191	45,436
Supplies	42,326	44,085	86,411
Other Expenses	42,184	76,216	118,400
Equipment	20,475	9,154	29,629
Office Space Costs	44,403	0	44,403
Grant Refund	2,641	1,031	3,672
<b>TOTAL DISBURSEMENTS</b>	<b>433,559</b>	<b>1,013,442</b>	<b>1,447,001</b>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(52,563)</b>	<b>83,309</b>	<b>30,746</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers-In	0	0	0
Transfers-Out	0	0	0
Advances-In	0	0	0
Advances-Out	0	0	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES</b>	<b>(52,563)</b>	<b>83,309</b>	<b>30,746</b>
<b>FUND CASH BALANCES, JANUARY 1, 1998</b>	<b>45,756</b>	<b>(30,973)</b>	<b>14,783</b>
<b>FUND CASH BALANCES, DECEMBER 31, 1998</b>	<b>(6,807)</b>	<b>52,336</b>	<b>45,529</b>

See accompanying notes to the financial statements.

## DISTRICT BOARD OF HEALTH, HOLMES COUNTY

*Notes to the General Purpose Financial Statements*  
December 31, 1999 and 1998

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### 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, 1999 and 1998

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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, 1999 and 1998

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**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, 1999 and 1998, 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, 1999 and 1998.

**NOTE 5 - PROPERTY TAX**

The Holmes County Budget Commission allocates 0.35 mills to the District as a Health Subsidy. Total Valuation subject to this millage was \$475,881,657 and \$462,370,800 for 1999 and 1998, respectively.

The County distributes this millage to the District semiannually.

**NOTE 6 - LEASES**

The District has lease agreements for a copier and computer system. The following is a schedule of the future minimum payments required as of December 31, 1999

<u>Year</u>	<u>Obligation</u>
2000	<u>\$ 4.868</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, 1999 and 1998

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**NOTE 7 - DEFICIT FUND BALANCES**

The following funds has deficit cash balances at December 31, 1999 and 1998:

<u>Fund</u>	<u>1999</u>	<u>1998</u>
District Health	\$ 6,807	\$ 0
Home Care	150,004	208,198
Swimming Pool	26	0
Child and Family Health Service	0	41,950
Preventative Health Service	3,035	2,799
Women, Infants and Children	0	2,569
Safe Communities	999	12,123

**NOTE 8 - 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.

May 16, 2000

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, 1999 and 1998 and have issued our report thereon dated May 16, 2000.

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.

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.

*Loa & 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

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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.

By: Susan Babbitt

Date: JUNE 29, 2000