



**DISTRICT BOARD OF HEALTH
AUGLAIZE COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
AUGLAIZE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Auglaize County
214 South Wagner Street
Wapakoneta, Ohio 45895

To the Members of the Board:

We have audited the accompanying financial statements of the Disitrc Board of Health, Auglaize County, (the District) as of and for the year ended December 31, 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 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. 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, Auglaize County, as of December 31, 2000, and its combined cash receipts and disbursements for the year 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 3, 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 audit committee, management, the Members of 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

May 3, 2001

**DISTRICT BOARD OF HEALTH
AUGLAIZE COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Agency Fund</u>	
Cash Receipts:				
State Funds	\$16,485	\$13,404		\$29,889
Federal Funds		277,736		277,736
Tax Levies	633,736			633,736
Subdivisions	3,553			3,553
Licenses and Permits	23,214	63,203		86,417
Fees	121,078	31,784		152,862
Contractual Services	19,758	55,782		75,540
Other Receipts	13,555			13,555
Total Cash Receipts	831,379	441,909		1,273,288
Cash Disbursements:				
Current:				
Salaries	371,982	60,640		432,622
Supplies	46,517	54		46,571
Equipment	19,616			19,616
State Remittance	6,733	6,560		13,293
Contracts - Services	10,026	2,473		12,499
Fees		2,233		2,233
Rentals	83,791			83,791
Advertising and Printing	2,863			2,863
Travel Expenses	22,638			22,638
Public Employee's Retirement	50,599			50,599
Worker's Compensation	2,660			2,660
Medical and Health Insurance	148,501			148,501
Other Disbursements	21,518			21,518
Project Fund Disbursements		464,643		464,643
Total Cash Disbursements	787,444	536,603		1,324,047
Total Cash Receipts Over/(Under) Cash Disbursements	43,935	(94,694)		(50,759)
Other Financing Receipts/(Disbursements):				
Transfers-In		56,253		56,253
Transfers-Out	(56,253)			(56,253)
Reimbursements	50,717	27,106		77,823
Other Receipts	26,476	107	17,248	43,831
Other Disbursements		(5,211)	(17,695)	(22,906)
Total Other Financing Receipts/(Disbursements)	20,940	78,255	(447)	98,748
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	64,875	(16,439)	(447)	47,989
Fund Cash Balances, January 1	577,485	80,529	1,981	659,995
Fund Cash Balances, December 31	<u>\$642,360</u>	<u>\$64,090</u>	<u>\$1,534</u>	<u>\$707,984</u>
Reserves for Encumbrances, December 31	<u>\$15,793</u>	<u>\$1,971</u>	<u>\$0</u>	<u>\$17,764</u>

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

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**DISTRICT BOARD OF HEALTH
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Auglaize County, (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. District services include: recording of vital statistics; inspection of food service facilities, water wells, and sewers; public health nursing services and to act upon various complaints made to the Department concerning the health and welfare of the County.

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 District's cash is held and invested by the Auglaize County Treasurer, who acts as custodian for District monies. 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 required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes.

The District had the following significant Special Revenue Funds:

WIC Fund - This fund accounts for the activity of the Women, Infants, and Children's federal grant program.

**DISTRICT BOARD OF HEALTH
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Family Plan Fund - This fund accounts for all of the activity of the Family Planning federal grant program.

3. Fiduciary Fund (Agency Fund)

This fund is used to account for resources for which the District is acting in an agency capacity. The District had the following significant Fiduciary Fund:

Flexible Spending Account - Employees can request that certain amounts be deducted from their pay to be used for future un-reimbursed medical expenses.

E. Budgetary Process

1. Appropriations

Appropriation measures are passed to control budgetary expenditures (that is, disbursements and encumbrances) at the fund, function or object level of control. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The County Budget Commission approves estimated resources.

3. Encumbrances

The District uses the encumbrance method of accounting, reserving (encumbering) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2000 budgetary activity appears in Note 3.

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.

**DISTRICT BOARD OF HEALTH
AUGLAIZE COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Auglaize County Auditor acts as fiscal agent for the District and the County Treasurer maintains a cash and investment pool used by all funds. At year-end, the carrying amount of the District's deposits with the County Treasury was \$706,450. The District maintains a separate checking account for its flexible spending plan. At year-end, the carrying amount was \$1,534, which is insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$906,027	\$908,572	\$2,545
Special Revenue	546,366	525,375	(20,991)
Total	\$1,452,393	\$1,433,947	(\$18,446)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$957,000	\$859,490	\$97,510
Special Revenue	621,795	543,785	78,010
Total	\$1,578,795	\$1,403,275	\$175,520

4. PROPERTY TAX

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

**DISTRICT BOARD OF HEALTH
AUGLAIZE COUNTY**

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

5. RETIREMENT SYSTEMS

The District's 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 post-retirement 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. Members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries from January through June 2000, and an amount equal to 8.13% of participants' gross salaries for July through December 2000. The District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

A. Commercial Insurance

The District has obtained commercial insurance for property damage and errors and omissions.

B. Risk Pool Membership

The District is a member of the Ohio Public Entities Pool (the Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks:

- General liability
- Stop Gap liability
- Legal Liability Real property
- Employee Benefit liability
- Premises Medical pay
- Special Events liability
- Professional liability
- Errors and Omissions
- Underground Gasoline/Fuel

C. Self Insurance

The District is also self insured for employee health coverage. The Self Insurance Fund pays covered claims up to a maximum of \$10,000 for each individual, with a \$1,000,000 aggregate over the employee's life. The District purchased commercial insurance for claims in excess of coverage provided by the plan and for all other risks of loss. All funds of the District participate in the program and make payments to the medical self insurance program based upon actuarial estimates of the amounts needed to pay prior and current year claims.

7. CONTRACTUAL OBLIGATIONS

The District is a party to a fifteen year lease for rental of office space. This lease was effective August 1, 1997 and terminates July 31, 2012. This lease requires the District to remit monthly payments on the first day of each month. The lease payment was fixed for the first ten years at \$5,000 per month. At the end of the first ten years, the lease rental payments increase to \$6,000 per month and will remain fixed through the remaining term of the lease.

**DISTRICT BOARD OF HEALTH DISTRICT
AUGLAIZE COUNTY**

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

8. GRANTS

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2000.

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

District Board of Health
Auglaize County
214 South Wagner Street
Wapakoneta, Ohio 45895

To the Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Auglaize County, (the District), as of and for the year ended December 31, 2000, and have issued our report thereon dated May 3, 2001. 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 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 an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated May 3, 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.

District Board of Health
Auglaize County
Report of Independent Accountants on Compliance and
On Internal Control Required by *Government Auditing Standards*
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This report is intended 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

May 3, 2001



STATE OF OHIO
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AUGLAIZE COUNTY DISTRICT BOARD OF HEALTH

AUGLAIZE 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
JUNE 21, 2001**