



**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9
Schedule of Findings .....	11

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Government Center  
242 Federal Plaza West, Suite  
302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949

## REPORT OF INDEPENDENT ACCOUNTANTS

Carroll District Board of Health  
Carroll County  
P.O. Box 98  
301 Moody Avenue S.W.  
Carrollton, Ohio 44615

To the Board Members:

We have audited the accompanying financial statements of the Carroll District Board of Health, Carroll County, Ohio, (the 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 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 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 Carroll District Board of Health, Carroll County, as of December 31, 2000 and 1999, 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 June 25, 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 results of our audit.

This report is intended solely for the information and use of the audit committee, management, 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

June 25, 2001

**This page intentionally left blank.**

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes Receipts	\$30,450	\$112,550	\$143,000
Intergovernmental Receipts	9,807	143,336	153,143
Fees, Licenses, and Permits	6,504	211,155	217,659
Miscellaneous		30,017	30,017
		<hr/>	<hr/>
Total Cash Receipts	46,761	497,058	543,819
<b>Cash Disbursements:</b>			
Current:			
Salaries	12,670	277,456	290,126
Fringe Benefits	2,043	39,204	41,247
Supplies	1,095	57,465	58,560
Equipment		8,112	8,112
Health Insurance	1,863	38,086	39,949
Contract-Repairs		1,295	1,295
Contract-Services		7,868	7,868
Advertisement		926	926
Travel	3,770	2,104	5,874
Remittance to State	2,000	10,463	12,463
Miscellaneous	12,879	52,765	65,644
		<hr/>	<hr/>
Total Cash Disbursements	36,320	495,744	532,064
Total Receipts Over/(Under) Disbursements	10,441	1,314	11,755
<b>Other Financing Sources/(Uses):</b>			
Sale of Assets	664		664
Advances-In	25,550	20,439	45,989
Advances-Out	(22,000)	(23,989)	(45,989)
		<hr/>	<hr/>
Total Other Financing Sources/(Uses)	4,214	(3,550)	664
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	14,655	(2,236)	12,419
Fund Cash Balances, January 1	8,221	60,095	68,316
		<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$22,876</b>	<b>\$57,859</b>	<b>\$80,735</b>
		<hr/>	<hr/>
Reserves for Encumbrances, December 31	\$1,900	\$34,754	\$36,654
		<hr/>	<hr/>

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

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes Receipts	\$36,369	\$101,640	\$138,009
Intergovernmental Receipts	9,635	117,296	126,931
Fees, Licenses, and Permits	8,585	174,129	182,714
Miscellaneous		1,128	1,128
		<hr/>	<hr/>
Total Cash Receipts	54,589	394,193	448,782
<b>Cash Disbursements:</b>			
Current:			
Salaries	18,377	249,124	267,501
Fringe Benefits	9,625	37,696	47,321
Supplies	1,245	34,691	35,936
Equipment	2,791	11,382	14,173
Health Insurance	2,990	26,759	29,749
Contract Services		8,085	8,085
Advertisement	57	207	264
Travel	2,638	459	3,097
Remittance to State	2,586	11,960	14,546
Miscellaneous	16,307	59,557	75,864
		<hr/>	<hr/>
Total Cash Disbursements	56,616	439,920	496,536
Total Receipts Over/(Under) Disbursements	(2,027)	(45,727)	(47,754)
<b>Other Financing Sources/(Uses):</b>			
Transfers-In		11,176	11,176
Advances-In	26,700	36,055	62,755
Transfers-Out	(11,176)		(11,176)
Advances-Out	(23,550)	(39,205)	(62,755)
		<hr/>	<hr/>
Total Other Financing Sources/(Uses)	(8,026)	8,026	
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(10,053)	(37,701)	(47,754)
Fund Cash Balances, January 1	18,274	97,796	116,070
		<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$8,221</b>	<b>\$60,095</b>	<b>\$68,316</b>
		<hr/>	<hr/>
Reserves for Encumbrances, December 31	\$2,888	\$18,673	\$21,561
		<hr/>	<hr/>

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



**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Carroll District Board of Health, Carroll 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, under Chapters 3707 and 3709, Ohio Revised Code. The District operates under a seven member body appointed pursuant to Ohio Revised Code § 3907.07. The Carroll County Auditor acts as fiscal agent for the District.

The District is responsible for environmental services related to individual water systems, food service operations, trailer parks, and recreation areas for public use and nursing services. The District also has school health programs, communicable disease control programs.

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 Carroll 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 Fund**

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:

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Child Family Health Services Fund - This fund receives grant money and fees to operate the program within Carroll County.

Nursing Fund - This fund receives subdivision tax money and fees to operate the nursing program within Carroll County.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. 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 Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not consistently use the encumbrance method of accounting.

A summary of 2000 and 1999 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 a liability under the basis of accounting used by the District.

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH**

The Carroll County Treasurer is fiscal agent for the District. The County maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 80,735	\$ 68,316

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 30,073	\$ 47,425	\$ 17,352
Special Revenue	<u>479,297</u>	<u>497,058</u>	<u>17,761</u>
Total	<u>\$ 509,370</u>	<u>\$ 544,483</u>	<u>\$ 35,113</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 66,074	\$ 38,220	\$ 27,854
Special Revenue	<u>572,359</u>	<u>530,498</u>	<u>41,861</u>
Total	<u>\$ 638,433</u>	<u>\$ 568,718</u>	<u>\$ 69,715</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 54,169	\$ 54,589	\$ 420
Special Revenue	<u>438,519</u>	<u>405,369</u>	<u>(33,150)</u>
Total	<u>\$ 492,688</u>	<u>\$ 459,958</u>	<u>\$ (32,730)</u>

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 95,379	\$ 70,680	\$ 24,699
Special Revenue	524,538	458,593	65,945
Total	\$ 619,917	\$ 529,273	\$ 90,644

**4. 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. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries during 1999 and 10.84% during 2000. The District has paid all contributions required through December 31, 2000.

**5. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- General liability and casualty
- Vehicles
- Public official's liability

The District also provides health insurance to full-time employees through a private carrier.



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Government Center  
242 Federal Plaza West, Suite  
302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949

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

Carroll District Board of Health  
Carroll County  
P.O. Box 98  
301 Moody Avenue S.W.  
Carrollton, Ohio 44615

To the Board Members:

We have audited the accompanying financial statements of the Carroll District Board of Health, Carroll County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 25, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-61210-001.

**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  
Carroll County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

June 25, 2001

**CARROLL DISTRICT BOARD OF HEALTH  
CARROLL COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2000-61210-001**

**Ohio Revised Code § 5705.41(D)** states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the District may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
  
- B. If the amount involved is less than one thousand dollars the fiscal officer issues a certificate, but may authorize it to be paid without the affirmation of the Board.

In 2000, 25% of the expenditures tested did not have the certificate of the fiscal officer attached and in 1999, 50% of the expenditures tested did not have the certificate of the fiscal officer attached and neither of the exceptions available to the District was met.

Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances. The District should obtain approved purchase orders which include the fiscal officer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized prior to making a commitment.







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

**CARROLL COUNTY DISTRICT BOARD OF HEALTH**

**CARROLL 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  
JULY 24, 2001**