



**DISTRICT BOARD OF HEALTH
HANCOCK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
HANCOCK COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Hancock County
222 East Broadway Street
Findlay, Ohio 45840

To the Board:

We have audited the accompanying financial statements of the District Board of Health, Hancock County, (the Board) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Board 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 Board 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 March 28, 2001 on our consideration of the Board'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 audits.

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

March 28, 2001

**DISTRICT BOARD OF HEALTH
HANCOCK 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:			
Fees Charged to Subdivisions	\$190,000		\$190,000
State Subsidy	8,022		8,022
Grants	19,373		19,373
Permits		\$12,739	12,739
Fees	49,297	37,445	86,742
Licenses	8,388	33,000	41,388
Other Receipts	39,413	31	39,444
	<u>314,493</u>	<u>83,215</u>	<u>397,708</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	191,185	39,106	230,291
Supplies	4,678		4,678
Equipment	4,648		4,648
Remittance to State	1,315	33,726	35,041
Travel	8,984	5,700	14,684
Public Employee's Retirement	23,685	4,689	28,374
Worker's Compensation	875	175	1,050
Other	51,647	3,918	55,565
	<u>287,017</u>	<u>87,314</u>	<u>374,331</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	27,476	(4,099)	23,377
Fund Cash Balances, January 1	<u>89,635</u>	<u>33,228</u>	<u>122,863</u>
Fund Cash Balances, December 31	<u>\$117,111</u>	<u>\$29,129</u>	<u>\$146,240</u>
Reserve for Encumbrances, December 31	<u>\$150</u>		<u>\$150</u>

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

**DISTRICT BOARD OF HEALTH
HANCOCK 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Fees Charged to Subdivisions	\$140,670		\$140,670
State Subsidy	8,022		8,022
Permits	5,775	\$14,542	20,317
Fees	41,459	38,889	80,348
Licenses	4,900	30,000	34,900
Other Receipts	29,499	11	29,510
	<u>230,325</u>	<u>83,442</u>	<u>313,767</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	168,005	31,846	199,851
Supplies	4,153		4,153
Equipment	1,172		1,172
Remittance to State	1,143	34,110	35,253
Travel	6,104	4,515	10,619
Public Employee's Retirement	21,268	4,388	25,656
Worker's Compensation	2,415	322	2,737
Other	40,256	4,653	44,909
	<u>244,516</u>	<u>79,834</u>	<u>324,350</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	(14,191)	3,608	(10,583)
Fund Cash Balances, January 1	<u>103,826</u>	<u>29,620</u>	<u>133,446</u>
Fund Cash Balances, December 31	<u>\$89,635</u>	<u>\$33,228</u>	<u>\$122,863</u>
Reserve for Encumbrances, December 31	<u> </u>	<u> </u>	<u> </u>

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

**DISTRICT BOARD OF HEALTH
HANCOCK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Hancock County, (the Board) 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 Board operates under the direction of a five member board and a twenty-four member district advisory board. The county auditor and county treasurer are responsible for fiscal control of the resources of the Board which are maintained in the funds described below. Services provided by the Board include medical assistance and public health and safety.

The Board's management believes these financial statements present all activities for which the Board 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 and Investments

As required by Ohio Revised Code, the Board's cash is held and invested by the Hancock County Treasurer, who is the custodian for Board monies. The Board'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 Board uses fund accounting to segregate cash and investments that are restricted as to use. The Board 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 (other than from trusts) that are restricted to expenditure for specific purposes. The Board had the following significant Special Revenue Funds:

Food Service - This fund receives revenue from licenses issue for various food operations.
Private Water System - This fund receives revenue from the issuing of private well permits.
Solid Waste Facilities - This fund receives an operating fee from the County landfill.

**DISTRICT BOARD OF HEALTH
HANCOCK COUNTY**

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

E. Budgetary Process

The Board budgets each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function level, 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. 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 must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 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. 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 Board.

2. 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	\$287,374	\$314,493	\$27,119
Special Revenue	74,600	83,215	8,615
Total	\$361,974	\$397,708	\$35,734

**DISTRICT BOARD OF HEALTH
HANCOCK COUNTY**

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$305,500	\$287,167	\$18,333
Special Revenue	95,650	87,314	8,336
Total	<u>\$401,150</u>	<u>\$374,481</u>	<u>\$26,669</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$218,000	\$230,325	\$12,325
Special Revenue	73,800	83,442	9,642
Total	<u>\$291,800</u>	<u>\$313,767</u>	<u>\$21,967</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$268,000	\$244,516	\$23,484
Special Revenue	90,225	79,834	10,391
Total	<u>\$358,225</u>	<u>\$324,350</u>	<u>\$33,875</u>

3. RETIREMENT SYSTEMS

The Board'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 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 Board contributed an amount equal to 10.84% of participants' gross salaries for 2000 and 13.55% for 1999. The Board has paid all contributions required through December 31, 2000.

4. RISK MANAGEMENT

The Board has obtained commercial insurance for the following risks:

- General Liability; and
- Vehicles

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

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

District Board of Health
Hancock County
222 East Broadway Street
Findlay, Ohio 45840

To the Board:

We have audited the financial statements of the District Board of Health, Hancock County, (the Board) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 28, 2001. We conducted our audits 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 Board'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 audits 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 a certain immaterial instance of noncompliance that we have reported to management of the Board in a separate letter dated March 28, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Board'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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Board in a separate letter dated March 28, 2001.

District Board of Health
Hancock 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

March 28, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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DISTRICT BOARD OF HEALTH

HANCOCK 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
APRIL 10, 2001**