



**DISTRICT BOARD OF HEALTH
SCIOTO COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
SCIOTO COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Scioto County
602 Seventh Street, Room 103
Portsmouth, Ohio 45662

To the Members of the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Scioto County, Ohio (the District), as of and for the years ended December 31, 2000 and December 31, 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 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, Scioto County, as of December 31, 2000 and December 31, 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 2, 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 management, the Board of Health 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 2, 2001

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**DISTRICT BOARD OF HEALTH
SCIOTO 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
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Local Taxes	\$246,732	\$	\$246,732
Intergovernmental	18,970		18,970
Licenses, Permits, and Fees	17,696	70,697	88,393
Other Revenue	320		320
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	283,718	70,697	354,415
Cash Disbursements:			
Remittance to State		5,687	5,687
Salaries	228,176	42,590	270,766
Supplies	2,874	8,406	11,280
Travel and Expenses	3,749	9,732	13,481
Public Employee's Retirement	28,054		28,054
Worker's Compensation	1,304		1,304
Other Expenses	56,889	5,578	62,467
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	321,046	71,993	393,039
Excess of Cash Receipts Over/ (Under) Cash Disbursements	<hr/> (37,328) <hr/>	<hr/> (1,296) <hr/>	<hr/> (38,624) <hr/>
Fund Cash Balances, January 1	<hr/> 51,275 <hr/>	<hr/> 5,285 <hr/>	<hr/> 56,560 <hr/>
Fund Cash Balances, December 31	<hr/>\$13,947<hr/>	<hr/>\$3,989<hr/>	<hr/>\$17,936<hr/>
Reserve for Encumbrances, December 31	<hr/> \$2,254 <hr/>	<hr/> \$734 <hr/>	<hr/> \$2,988 <hr/>

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

**DISTRICT BOARD OF HEALTH
SCIOTO 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
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Local Taxes	\$306,975	\$	\$306,975
Intergovernmental	18,209		18,209
Licenses, Permits, and Fees	18,080	68,050	86,130
Other Revenue	2,435	2,005	4,440
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	345,699	70,055	415,754
Cash Disbursements:			
Remittance to State		6,624	6,624
Salaries	222,247	44,364	266,611
Supplies	5,978	6,492	12,470
Contract Services		129	129
Equipment	22		22
Travel and Expenses	3,907	8,399	12,306
Public Employee's Retirement	29,067		29,067
Worker's Compensation	6,792		6,792
Other Expenses	53,771	10,220	63,991
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	321,784	76,228	398,012
Excess of Cash Receipts Over/ (Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	23,915	(6,173)	17,742
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	27,360	11,458	38,818
Fund Cash Balances, December 31	<hr/> \$51,275	<hr/> \$5,285	<hr/> \$56,560
Reserve for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$2,580	\$880	\$3,460

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

**DISTRICT BOARD OF HEALTH
SCIOTO 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, Scioto County (the District), is a general health district as defined by Section 3709.01, Revised Code. The District operates under an appointed five member Board and is responsible for the administration of all health programs established by the Revised Code, the Ohio Department of Health, and the Public Health Council. Services provided by the District included the inspection and licensing of food establishments, inspection of sewer and water systems, inspection and licensing of solid waste facilities, inspection of trailer parks, and public health nursing 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 and Investments

Cash balances of the District are maintained and accounted for in the pooled depository of Scioto County through the Auditor and Treasurer of Scioto County.

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 (other than from trust or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Home Health Fund - This fund received monies for the performance of health services to the public.

Food Service Fund - This fund received fees for food service licenses.

**DISTRICT BOARD OF HEALTH
SCIOTO COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

An appropriation measure is adopted by the Board on or before the first Monday of April in each year for the period January 1 to December 31 of the following year. The appropriation measure, together with an itemized estimate of the sources of revenue available to the District for the next fiscal year, is submitted to the County Auditor, who in turn submits it to the County Budget Commission.

The County Budget Commission reviews the appropriation measure and may reduce any item in the appropriation measure, but may not increase any item or the aggregate amount of all items in the appropriation measure.

The appropriation measure, as amended by the County Budget Commission, controls expenditures by the District for the period January 1 to December 31 of the following year. The Board may, by resolution, transfer funds from one item to another in the appropriation measure, reduce or increase any item, create new items, and make additional appropriations, subject to the availability of funds and to the approval of the County Budget Commission.

Encumbrances

The District policy is to reserve (encumber) appropriations when 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 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 cash basis of accounting used by the District.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash 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	<u>\$17,936</u>	<u>\$56,560</u>

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to Scioto County, or (3) collateralized by the financial institution's public entity deposit pool.

**DISTRICT BOARD OF HEALTH
SCIOTO COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$280,562	\$283,718	\$3,156
Special Revenue	71,095	70,697	(398)
Total	<u>\$351,657</u>	<u>\$354,415</u>	<u>\$2,758</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$331,837	\$323,300	\$8,537
Special Revenue	74,877	72,727	2,150
Total	<u>\$406,714</u>	<u>\$396,027</u>	<u>\$10,687</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$336,400	\$345,699	\$9,299
Special Revenue	65,126	70,055	4,929
Total	<u>\$401,526</u>	<u>\$415,754</u>	<u>\$14,228</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$322,367	\$324,364	(\$1,997)
Special Revenue	75,390	77,108	(1,718)
Total	<u>\$397,757</u>	<u>\$401,472</u>	<u>(\$3,715)</u>

**DISTRICT BOARD OF HEALTH
SCIOTO COUNTY**

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

4. PROPERTY TAX

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

5. RETIREMENT SYSTEMS

The employees of the District are compensated through the County. The disclosure for retirement commitments and Post Retirement Health Care Benefits are contained in the audit of the financial condition of Scioto County for the years ended December 31, 2000 and 1999.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

The District also provides health insurance and dental and vision 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
Scioto County
602 Seventh Street, Room 103
Portsmouth, Ohio 45662

To the Members of the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Scioto County, Ohio (the District), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 2, 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 March 2, 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 2, 2001.

District Board of Health
Scioto 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 management and the Board of Health, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 2, 2001



STATE OF OHIO
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SCIOTO COUNTY DISTRICT BOARD OF HEALTH

SCIOTO 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
MARCH 27, 2001**