



**Auditor of State  
Betty Montgomery**



**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

District Board of Health  
Vinton County  
P.O. Box 305, State Rt 93  
McArthur, Ohio 45651

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Vinton County, Ohio (the District), as of and for the years ended December 31, 2002 and 2001. 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 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, Vinton County, as of December 31, 2002 and 2001, 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 24, 2003 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.

District Board of Health  
Vinton County  
Independent Accountants' Report  
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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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 24, 2003

**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Levies	\$115,389	\$	\$	\$115,389
Licenses, Permits, and Fees	76,173	664,765		740,938
Intergovernmental	1,174	261,436		262,610
Contract Services	40,664	377,426		418,090
Other Receipts	5,281	23,688		28,969
<b>Total Cash Receipts</b>	<u>238,681</u>	<u>1,327,315</u>	<u>0</u>	<u>1,565,996</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries	168,949	552,513		721,462
Supplies	5,582	24,673		30,255
Contracts-Services	14,780	195,396		210,176
Travel and Expenses	8,326	53,216		61,542
PERS and Fringes	21,335	71,642		92,977
Insurance	1,203	33,347		34,550
Remittance to State of Ohio	2,006	8,470		10,476
Grant Fund Project Expenses		99,636		99,636
Other Disbursements	52,765	70,490		123,255
<b>Total Cash Disbursements</b>	<u>274,946</u>	<u>1,109,383</u>	<u>0</u>	<u>1,384,329</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(36,265)</u>	<u>217,932</u>	<u>0</u>	<u>181,667</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Other Financing Sources			439,674	439,674
Other Financing Uses	(11,621)		(397,481)	(409,102)
Transfers-In	116,080	408		116,488
Transfers-Out	(408)	(116,080)		(116,488)
Advances -In		8,116		8,116
Advances-Out	(8,116)			(8,116)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>95,935</u>	<u>(107,556)</u>	<u>42,193</u>	<u>30,572</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>59,670</u>	<u>110,376</u>	<u>42,193</u>	<u>212,239</u>
<b>Fund Cash Balances, January 1</b>	<u>(34,489)</u>	<u>29,720</u>	<u>94,618</u>	<u>89,849</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$25,181</b></u>	<u><b>\$140,096</b></u>	<u><b>\$136,811</b></u>	<u><b>\$302,088</b></u>

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

**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Levies	\$117,695	\$	\$	\$117,695
Licenses, Permits, and Fees	73,719	405,321		479,040
Intergovernmental	3,223	192,920		196,143
Contract Services	23,455	415,430		438,885
Other Receipts	<u>8,032</u>	<u>14,439</u>		<u>22,471</u>
Total Cash Receipts	<u>226,124</u>	<u>1,028,110</u>	<u>0</u>	<u>1,254,234</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries	148,544	511,065		659,609
Supplies	2,641	20,199		22,840
Contracts-Services	4,211	129,112		133,323
Travel and Expenses	10,265	64,125		74,390
PERS and Fringes	16,261	72,091		88,352
Insurance	5,348	31,878		37,226
Remittance to State of Ohio		1,805		1,805
Grant Fund Project Expenses		93,010		93,010
Other Disbursements	<u>56,728</u>	<u>53,626</u>		<u>110,354</u>
Total Cash Disbursements	<u>243,998</u>	<u>976,911</u>	<u>0</u>	<u>1,220,909</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(17,874)</u>	<u>51,199</u>	<u>0</u>	<u>33,325</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Reimbursements	9,993			9,993
Other Financing Sources			327,087	327,087
Other Financing Uses	(23,622)		(303,388)	(327,010)
Transfers-In	12,000			12,000
Transfers-Out		(12,000)		(12,000)
Advances -In	3,055	24,706		27,761
Advances-Out	<u>(21,651)</u>	<u>(6,110)</u>		<u>(27,761)</u>
Total Other Financing Receipts/(Disbursements)	<u>(20,225)</u>	<u>6,596</u>	<u>23,699</u>	<u>10,070</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(38,099)	57,795	23,699	43,395
Fund Cash Balances, January 1	<u>3,610</u>	<u>(28,075)</u>	<u>70,919</u>	<u>46,454</u>
<b>Fund Cash Balances, December 31</b>	<b><u>(\$34,489)</u></b>	<b><u>\$29,720</u></b>	<b><u>\$94,618</u></b>	<b><u>\$89,849</u></b>

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

**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The District Board of Health, Vinton 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 operates under an appointed five member Board and an appointed Health Commissioner 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. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing and home health aide services and issues health-related licenses and permits.

Additionally, the District serves as the administrative and fiscal agent of the Vinton County Family and Children First Council. The activities of the Family and Children First Council are reported as an Agency Fund within the financial statements.

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.

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 County Treasurer is custodian for the District's cash. 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 restricted by law or contract.

**2. Special Revenue Funds**

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:

**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Public Home Nursing Services (PHNF) Fund* – This fund receives fees for providing home nursing services to elderly and homebound persons.

*Passport Fund*– This fund receives State and Federal grant money to provide home health care for Medicaid eligible persons through referrals from the Area Agency on Aging.

*Women, Infants and Children (WIC) Fund* - This is a Federal grant fund used to account for the Special Supplemental Nutrition Program.

*Child and Family Health Services (CFHS)* – This is a state grant fund used for providing speech therapy services to eligible children.

**3. Agency Fund**

This fund is used to account for the resources and activities of legally separate entities for which the District is acting in an agency capacity. The District had the following Agency Fund:

*The Vinton County Family and Children First Council Fund* – This fund received grant monies for the provision of services to children and families.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund/function level of control, 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. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2002 and 2001 budgetary activity appears in Note 2.

**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under District's basis of accounting.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$305,503	\$354,761	\$49,258
Special Revenue	1,285,522	1,335,839	50,317
Total	\$1,591,025	\$1,690,600	\$99,575

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$277,960	\$295,091	(\$17,131)
Special Revenue	1,305,282	1,225,463	79,819
Total	\$1,583,242	\$1,520,554	\$62,688

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$261,570	\$251,172	(\$10,398)
Special Revenue	1,041,731	1,052,816	11,085
Total	\$1,303,301	\$1,303,988	\$687

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$237,120	\$289,271	(\$52,151)
Special Revenue	999,869	995,021	4,848
Total	\$1,236,989	\$1,284,292	(\$47,303)

**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

Contrary to Ohio law, expenditures exceeded appropriations in the General, Welcome Home Baby, and Passport Funds for the year ended December 31, 2001 and the General Fund for the year ended December 31, 2002.

**3. 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 Intergovernmental Receipts. Payments are due to the County by 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.

**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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2002.

**5. RISK MANAGEMENT**

The Vinton County Commissioners maintain comprehensive insurance coverage with the Buckeye Joint-County Self-Insurance Council, a joint self-insurance pool which obtains private carrier insurance agreements for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The District is covered by these policies.

**6. CONTINGENT LIABILITIES**

The District Board of Health is not party to any legal proceedings.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. 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.



**Auditor of State  
Betty Montgomery**

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

District Board of Health  
Vinton County  
P.O. Box 305, State Route 93  
McArthur, Ohio 45651

To Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Vinton County, Ohio (the District), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 24, 2003. 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 2002-001.

**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 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 the 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 June 24, 2003.

District Board of Health  
Vinton County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 24, 2003

**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2002-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D) provides that no contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract had been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriated fund free from any previous encumbrance.

Although all purchases contained the certification of the fiscal officer, disbursements exceeded appropriations in the funds noted below, therefore, not all disbursements were lawfully appropriated.

Expenditures exceeded appropriations in the following funds at December 31, 2001:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund	\$237,120	\$289,271	(\$52,151)
Welcome Home Baby Fund	5,622	5,974	(352)
Passport Fund	330,265	337,703	(7,438)

Expenditures exceeded appropriations in the following funds at December 31, 2002:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund	\$277,960	\$ 295,091	(\$17,131)

We recommend the District Board of Health not authorize expenditures if the funds have not been appropriated to cover such an expenditure. We also recommend the County Auditor not certify the availability of funds as legally appropriated if the purchase will cause expenditures to exceed the current level of appropriations. Furthermore, in the event appropriations have not been made, but, resources are available and have been certified to the County Auditor, we recommend the Board approve amending the appropriations prior to making the expenditure.

**DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2000-60782-001	Expenditures exceeded appropriations	No	Not Corrected. Refer to Finding 2002-001.
2000-60782-002	Actual receipts exceeded budgeted receipts	Yes	Corrected



**Auditor of State  
Betty Montgomery**

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**DISTRICT BOARD OF HEALTH**

**VINTON 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  
AUGUST 19, 2003**