



**GEAUGA COUNTY GENERAL HEALTH DISTRICT
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GEAUGA COUNTY GENERAL HEALTH DISTRICT
GEAUGA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Geauga County General Health District
Geauga County
470 Center Street, Bldg. 8
Chardon, Ohio 44024

To the Members of the Board:

We have audited the accompanying financial statements of Geauga County General Health District, Geauga 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 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 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 Geauga County General Health District, Geauga County, Ohio, 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 May 1, 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 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

May 1, 2001

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**GEAUGA COUNTY GENERAL HEALTH DISTRICT
 GEAUGA 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Subdivisions	\$426,659	\$0	\$426,659
Levies	341,450	0	341,450
Fines and Fees	180,512	85,552	266,064
Licenses and Permits	368,327	152,377	520,704
Intergovernmental Revenue	113,869	284,903	398,772
Other Receipts	46,342	4,698	51,040
	<u>1,477,159</u>	<u>527,530</u>	<u>2,004,689</u>
Cash Disbursements:			
Current:			
Salaries	658,140	173,549	831,689
Supplies	36,003	0	36,003
Equipment	20,990	197	21,187
Contracts - Repair	23,002	0	23,002
State Remittance	0	28,465	28,465
Advertising and Printing	1,403	0	1,403
Travel and Expenses	29,126	11,456	40,582
Public Employee's Retirement	80,610	19,483	100,093
Hospitalization	93,805	19,188	112,993
Worker's Compensation	2,360	588	2,948
Project Fund Disbursements	0	306,110	306,110
Other Expenses	82,995	2,939	85,934
	<u>1,028,434</u>	<u>561,975</u>	<u>1,590,409</u>
Total Receipts Over/(Under) Disbursements	<u>448,725</u>	<u>(34,445)</u>	<u>414,280</u>
Other Financing Receipts/(Disbursements):			
Refunds	150	0	150
Reimbursements	3,358	0	3,358
Other Receipts	700	0	700
	<u>4,208</u>	<u>0</u>	<u>4,208</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	452,933	(34,445)	418,488
Fund Cash Balances, January 1, 2000	<u>237,121</u>	<u>388,353</u>	<u>625,474</u>
Fund Cash Balances, December 31, 2000	<u>\$690,054</u>	<u>\$353,908</u>	<u>\$1,043,962</u>
Reserves for Encumbrances, December 31, 2000	<u>\$12,440</u>	<u>\$6,243</u>	<u>\$18,683</u>

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

**GEAUGA COUNTY GENERAL HEALTH DISTRICT
 GEAUGA 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Subdivisions	\$426,659	\$0	\$426,659
Fines and Fees	182,324	77,711	260,035
Licenses and Permits	364,610	156,535	521,145
Intergovernmental Revenue	63,096	279,983	343,079
Other Receipts	59,358	2,120	61,478
	<u>1,096,047</u>	<u>516,349</u>	<u>1,612,396</u>
Cash Disbursements:			
Current:			
Salaries	719,265	173,304	892,569
Supplies	40,600	0	40,600
Equipment	24,849	0	24,849
Contracts - Repair	15,948	0	15,948
State Remittance	0	27,927	27,927
Advertising and Printing	1,966	0	1,966
Travel and Expenses	28,869	11,430	40,299
Public Employee's Retirement	95,197	21,941	117,138
Hospitalization	87,507	22,540	110,047
Worker's Compensation	12,447	2,430	14,877
Project Fund Disbursements	0	282,419	282,419
Other Expenses	87,581	2,151	89,732
	<u>1,114,229</u>	<u>544,142</u>	<u>1,658,371</u>
Total Receipts Over/(Under) Disbursements	<u>(18,182)</u>	<u>(27,793)</u>	<u>(45,975)</u>
Other Financing Receipts/(Disbursements):			
Refunds	78	0	78
Reimbursements	18,766	0	18,766
Other Receipts	208	0	208
	<u>19,052</u>	<u>0</u>	<u>19,052</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	870	(27,793)	(26,923)
Fund Cash Balances, January 1, 1999	<u>236,251</u>	<u>416,146</u>	<u>652,397</u>
Fund Cash Balances, December 31, 1999	<u>\$237,121</u>	<u>\$388,353</u>	<u>\$625,474</u>
Reserves for Encumbrances, December 31, 1999	<u>\$16,666</u>	<u>\$9,181</u>	<u>\$25,847</u>

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

**GEAUGA COUNTY GENERAL HEALTH DISTRICT
GEAUGA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Geauga County General Health District, Geauga County, Ohio, (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 5 member Board. Board members are appointed by the District's Advisory Council for a term of 5 years. Empowered by Section 3709.01, Ohio Revised Code, the General Health District consists of 6 Villages and 16 Townships. The Chief Executive Officer of each constituent political subdivision serves on the District Advisory Council as Commissioner for a term not to exceed 2 years. The Health Commissioner presides over the County Health Department and reports to the Board at its regular meeting each month.

As a separate political entity, the General Health District operates autonomously from the government of Geauga County. However, the Ohio Revised charges the County Auditor and County Treasurer to serve in similar capacities for the District. Charged with maintaining the health and welfare of the District, the District is empowered to enforce the laws, rules and regulations as promulgated by the appropriate federal and state legislatures, departments and agencies.

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 Geauga 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. All disbursements are made by warrants prepared by the County Auditor drawn on deposits held in the name of Geauga 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:

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.

**GEAUGA COUNTY GENERAL HEALTH DISTRICT
GEAUGA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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:

Food Service Fund - This fund receives fee and license revenue for the health inspections of food establishments.

Federal Funds - This fund receives grant funds to provide supplemental nutritious food and nutrition education to low-income persons in critical period of growth and development.

E. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District's 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.

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.

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 re-appropriated.

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 District.

**GEAUGA COUNTY GENERAL HEALTH DISTRICT
 GEAUGA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2000 AND 1999
 (CONTINUED)**

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	\$1,643,513	\$1,481,367	(\$162,146)
Special Revenue	523,734	527,530	3,796
Total	<u>\$2,167,247</u>	<u>\$2,008,897</u>	<u>(\$158,350)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,403,087	\$1,040,874	\$362,213
Special Revenue	657,873	568,218	89,655
Total	<u>\$2,060,960</u>	<u>\$1,609,092</u>	<u>\$451,868</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,260,529	\$1,115,099	(\$145,430)
Special Revenue	511,330	516,349	5,019
Total	<u>\$1,771,859</u>	<u>\$1,631,448</u>	<u>(\$140,411)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,406,055	\$1,130,895	\$275,160
Special Revenue	638,052	553,323	84,729
Total	<u>\$2,044,107</u>	<u>\$1,684,218</u>	<u>\$359,889</u>

**GEAUGA COUNTY GENERAL HEALTH DISTRICT
GEAUGA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(CONTINUED)**

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. 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 with 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 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 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. The District's PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 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:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

6. CONTINGENT LIABILITIES

The District is defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the District's financial condition.



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

Geauga County General Health District
Geauga County
470 Center Street, Bldg. 8
Chardon, Ohio 44024

To the Members of the Board:

We have audited the accompanying financial statements of the Geauga County General Health District, Geauga 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 May 1, 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 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 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*.

Internal Control Over Financial Reporting

In planning and performing our audits, 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.

Geauga County General Health District
Geauga County
Report 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 Members of 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 1, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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GEAUGA COUNTY GENERAL HEALTH DISTRICT

GEAUGA 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**