



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GENERAL HEALTH DISTRICT
GUERNSEY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

General Health District
Guernsey County
326 Highland Avenue
Cambridge, Ohio 43725

To Members of the Board:

We have audited the accompanying financial statements of the General Health District, Guernsey County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000. 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 and reserves for encumbrances of the General Health District, Guernsey County, as of December 31, 2001 and 2000, 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 26, 2002 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 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 26, 2002

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**GENERAL HEALTH DISTRICT
GUERNSEY COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal Awards	\$	\$225,121	\$225,121
Other Intergovernmental	173,812	178,986	352,798
Levies - Property Taxes	314,240		314,240
Permits	132,060	20,350	152,410
Fees	121,245	41,687	162,932
Licenses		77,923	77,923
Other Receipts	65,911	3,698	69,609
Total Cash Receipts	<u>807,268</u>	<u>547,765</u>	<u>1,355,033</u>
Cash Disbursements:			
Salaries	388,088	448,107	836,195
Supplies	41,195	32,063	73,258
Remittances to State		14,243	14,243
Equipment	2,977		2,977
Contracts - Services	44,371	8,335	52,706
Travel	2,650		2,650
Public Employee's Retirement	77,687	33,975	111,662
Worker's Compensation	7,185	3,146	10,331
Hospitalization	66,355		66,355
Medicare Tax	5,116	1,760	6,876
Other	103,018	8,021	111,039
Total Cash Disbursements	<u>738,642</u>	<u>549,650</u>	<u>1,288,292</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>68,626</u>	<u>(1,885)</u>	<u>66,741</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		54,266	54,266
Transfers-Out	(54,266)		(54,266)
Other Sources	11,114		11,114
Total Other Financing Receipts/(Disbursements)	<u>(43,152)</u>	<u>54,266</u>	<u>11,114</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>25,474</u>	<u>52,381</u>	<u>77,855</u>
Fund Cash Balances, January 1	<u>348,941</u>	<u>87,708</u>	<u>436,649</u>
Fund Cash Balances, December 31	<u>\$374,415</u>	<u>\$140,089</u>	<u>\$514,504</u>
Reserves for Encumbrances, December 31	<u>\$22,786</u>	<u>\$4,701</u>	<u>\$27,487</u>

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

**GENERAL HEALTH DISTRICT
GUERNSEY 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**

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Cash Receipts:			
Federal Awards	\$	\$240,534	\$240,534
Other Intergovernmental	150,165	192,126	342,291
Levies - Property Taxes	307,606		307,606
Permits	131,265	22,050	153,315
Fees	136,528	40,153	176,681
Licenses		68,399	68,399
Other Receipts	95,156		95,156
 Total Cash Receipts	820,720	563,262	1,383,982
 Cash Disbursements:			
Salaries	314,910	479,658	794,568
Supplies	24,260	25,330	49,590
Remittances to State		11,025	11,025
Contracts - Services	45,081	9,242	54,323
Travel	2,950		2,950
Public Employee's Retirement	53,027	32,070	85,097
Worker's Compensation	3,177	1,060	4,237
Hospitalization	60,810		60,810
Medicare Tax	4,125	1,804	5,929
Other	102,764	16,170	118,934
 Total Cash Disbursements	611,104	576,359	1,187,463
 Total Cash Receipts Over/(Under) Cash Disbursements	209,616	(13,097)	196,519
 Other Financing Receipts/(Disbursements):			
Other Sources	177		177
 Total Other Financing Receipts/(Disbursements)	177	0	177
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	209,793	(13,097)	196,696
 Fund Cash Balances, January 1	139,148	100,805	239,953
 Fund Cash Balances, December 31	\$348,941	\$87,708	\$436,649
 Reserves for Encumbrances, December 31	\$22,411	\$6,800	\$29,211

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

**GENERAL HEALTH DISTRICT
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The General Health District, Guernsey 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 is directed by a five-member Board and a Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and the issuance of health-related licenses and permits.

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 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:

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

**GENERAL HEALTH DISTRICT
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

County Health Block Grant Fund - This fund receives state grant money to provide general health services.

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 object 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. 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.

A summary of 2001 and 2000 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. 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.

**GENERAL HEALTH DISTRICT
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$818,282	\$818,382	\$100
Special Revenue	601,402	602,031	629
Total	\$1,419,684	\$1,420,413	\$729

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,184,664	\$815,694	\$368,970
Special Revenue	693,960	554,351	139,609
Total	\$1,878,624	\$1,370,045	\$508,579

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$777,371	\$820,897	\$43,526
Special Revenue	558,590	563,262	4,672
Total	\$1,335,961	\$1,384,159	\$48,198

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$940,438	\$633,515	\$306,923
Special Revenue	663,627	583,159	80,468
Total	\$1,604,065	\$1,216,674	\$387,391

3. INTERGOVERNMENTAL FUNDING

The County Commissioners levy two half-mill levies for the operation of the General Health District. In addition, the General Health District was combined with the City health district in 1949, under Ohio Rev. Code Section 3709.07. The City contributes an annual amount to the General Health District for operations.

**GENERAL HEALTH DISTRICT
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

The District also provides health and life insurance coverage to employees through a private carrier.

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. 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.



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

General Health District
Guernsey County
326 Highland Avenue
Cambridge, Ohio 43725

To Members of the Board:

We have audited the accompanying financial statements of General Health District, Guernsey County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 26, 2002. 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 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 District in a separate letter dated March 26, 2002.

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 26, 2002.

General Health District
Guernsey County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
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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.

Jim Petro
Auditor of State

March 26, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

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GENERAL HEALTH DISTRICT

GUERNSEY 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
MAY 9, 2002**