



**HARRISON COUNTY GENERAL HEALTH DISTRICT
HARRISON COUNTY
Regular Audit
For the Years Ended December, 2018 and 2017**

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Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
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Members of the Board
Harrison County General Health District
538 North Main Street
Cadiz, Ohio 43907

We have reviewed the *Independent Auditor's Report* of the Harrison County General Health District, Harrison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Harrison County General Health District is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

July 31, 2019

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HARRISON COUNTY GENERAL HEALTH DISTRICT
HARRISON COUNTY

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Certified Public Accountants, A.C.

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INDEPENDENT AUDITOR'S REPORT

July 1, 2019

Harrison County General Health District
Harrison County
538 North Main Street
Cadiz, OH 43907

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Harrison County General Health District**, Harrison County, (the District) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy requirements.

Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2018 and 2017, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Harrison County General Health District, Harrison County as of December 31, 2018 and 2017, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2019, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**HARRISON COUNTY GENERAL HEALTH DISTRICT
HARRISON COUNTY**

**COMBINED STATEMENTS OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 621,843	\$ -	\$ 621,843
Fees	35,909	-	35,909
Charges for Services	1,084	70,135	71,219
Intergovernmental:	49,613	-	49,613
Grants	-	324,571	324,571
Other	-	22,903	22,903
<i>Total Cash Receipts</i>	<u>708,449</u>	<u>417,609</u>	<u>1,126,058</u>
Cash Disbursements			
Current:			
Health:			
Salaries	247,062	173,304	420,366
Supplies	22,238	32,151	54,389
Equipment	400	3,634	4,034
Utilities	3,802	14,745	18,547
Contract Services	72,991	127,355	200,346
Mileage/Expenses	6,889	10,389	17,278
Advertising/Printing	20	2,500	2,520
Public Employees Retirement System	41,283	24,942	66,225
Workers' Compensation	2,000	1,720	3,720
Medicare	3,538	2,509	6,047
State Fees	11,875	7,410	19,285
Contingencies	25	-	25
Health Insurance	60,375	21,443	81,818
Life Insurance	540	-	540
Insurance/License	2,635	186	2,821
Accreditation Fees	14,000	-	14,000
<i>Total Cash Disbursements</i>	<u>489,673</u>	<u>422,288</u>	<u>911,961</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	218,776	(4,679)	214,097
Other Financing (Disbursements)			
Transfers In	-	40,000	40,000
Transfers Out	(40,000)	-	(40,000)
Advances In	34,295	15,000	49,295
Advances Out	(15,000)	(34,295)	(49,295)
<i>Total Other Financing (Disbursements)</i>	<u>(20,705)</u>	<u>20,705</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	198,071	16,026	214,097
<i>Fund Cash Balances, January 1</i>	<u>351,264</u>	<u>41,641</u>	<u>392,905</u>
Fund Cash Balances, December 31			
Restricted	-	57,667	57,667
Unassigned	549,335	-	549,335
<i>Fund Cash Balances, December 31</i>	<u>\$ 549,335</u>	<u>\$ 57,667</u>	<u>\$ 607,002</u>

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

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Harrison County General Health District, Harrison County, Ohio (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and health-related licenses and permits.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted to disbursement for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Private Water Fund This fund receives fees for private water service licenses.

Food Service This fund receives fees for food service licenses.

Pool Fund This fund receives fees for pool licenses.

Camp Fund This fund receives fees for campground licenses.

Septic Fund This fund receives fees for septic licenses, septic/water evaluations, etc.

Reproductive Health Wellness Program (RHWP) Grant This is a federal grant to improve the reproductive health and wellness of the residents of Harrison County.

Public Health Emergency Preparedness (PHEP) Grant This is a federal grant fund used to develop and maintain strong local public health emergency preparedness in the event of a public health threat or emergency.

Water Pollution Control Loan Fund Program (WPCLF) This is a federal grant used to help the citizens of Harrison County to obtain household sewage treatment system funding.

Women, Infants, and Children (WIC) Fund This is a federal grant fund that accounts for Special Supplemental Nutrition Program.

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Maternal Child Health Program (MCHP) This is a federal grant whose objective is to promote health and wellness. This includes the following programs: Nutrition Assessment Program, Blessing in a Backpack, Cribs for Kids, Innovative Program and Veggie U.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 4.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Restricted Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Board can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, appropriations exceeded estimated resources in the Private Water fund by \$1,969, in the Camps fund by \$869, in the PHEP fund by \$2,743, and in the WIC fund by \$20,114 for the year ended December 31, 2018. Contrary to Ohio law, expenditures exceeded appropriation authority in the General fund by \$13,111.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018, follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 701,428	\$ 708,449	\$ 7,021
Special Revenue	417,147	457,609	40,462
Total	\$ 1,118,575	\$ 1,166,058	\$47,483

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 516,562	\$ 529,673	\$ (13,111)
Special Revenue	450,254	422,288	27,966
Total	\$ 966,816	\$ 951,961	\$ 14,855

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5– Deposits and Investments

As required by the Ohio Revised Code, the Harrison County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

Note 6 – Intergovernmental Funding

Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

Note 7 – Interfund Balances

Advances

Outstanding advances at December 31, 2018, consisted of \$15,000 advanced to WIC Program fund to provide working capital for operations.

The Harrison County General Health District advanced in a total of \$34,295.47 to E001-E01 District Health from Outstanding advances made ending December 31, 2017 from the following fund to provide working capital for operations or projects:

- RHWP \$3,103.88 E001-E12
- PHEP \$21,027.01 E001-E14
- WIC \$6,991.94 E001-E19
- MCH \$3,172.64 E001-E21 \$2,068.28 and \$1,104.36

Note 8 – Risk Management

Workers' Compensation coverage is provided by the state of Ohio.

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Note 9 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**HARRISON COUNTY GENERAL HEALTH DISTRICT
HARRISON COUNTY**

**COMBINED STATEMENTS OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 551,842	\$ -	\$ 551,842
Fees	35,126	18,362	53,488
Charges for Services	8,193	64,237	72,430
Intergovernmental Grants	55,513 -	49,059 350,784	104,572 350,784
<i>Total Cash Receipts</i>	<u>650,674</u>	<u>482,442</u>	<u>1,133,116</u>
Cash Disbursements			
Current:			
Health Insurance	93,104	19,734	112,838
Salaries	213,622	176,972	390,594
Supplies	25,372	48,788	74,160
Equipment	2,550	-	2,550
Utilities	3,400	16,030	19,430
Contract Services	18,064	144,108	162,172
Mileage/Expenses	8,389	11,252	19,641
Advertising/Printing	50	280	330
Public Employees Retirement System	33,397	24,714	58,111
Workers' Compensation	1,644	989	2,633
Medicare	3,010	2,579	5,589
State Fees	10,855	8,152	19,007
Contingencies	14,768	-	14,768
Life Insurance	515	-	515
Repayment to County	105,000	-	105,000
Insurance/License	3,033	186	3,219
<i>Total Cash Disbursements</i>	<u>536,773</u>	<u>453,784</u>	<u>990,557</u>
<i>Excess of Receipts (Under) Disbursements</i>	113,901	28,658	142,559
Other Financing Receipts			
Advances In	-	34,295	34,295
Advances Out	(34,295)	-	(34,295)
<i>Total Other Financing Receipts</i>	<u>(34,295)</u>	<u>34,295</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	79,606	62,953	142,559
<i>Fund Cash Balances, January 1</i>	<u>271,658</u>	<u>(21,312)</u>	<u>250,346</u>
Fund Cash Balances, December 31			
Restricted	-	41,641	41,641
Unassigned	351,264	-	351,264
<i>Fund Cash Balances, December 31</i>	<u>\$ 351,264</u>	<u>\$ 41,641</u>	<u>\$ 392,905</u>

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

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Harrison County General Health District, Harrison County, Ohio (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted to disbursement for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Private Water Fund This fund receives fees for private water service licenses.

Food Service This fund receives fees for food service licenses.

Pool Fund This fund receives fees for pool licenses.

Camp Fund This fund receives fees for campground licenses.

Septic Fund This fund receives fees for septic licenses, septic/water evaluations, etc.

Reproductive Health Wellness Program (RHWP) Grant This is a federal grant to improve the reproductive health and wellness of the residents of Harrison County.

Public Health Emergency Preparedness (PHEP) Grant This is a federal grant fund used to develop and maintain strong local public health emergency preparedness in the event of a public health threat or emergency.

Water Pollution Control Loan Fund Program (WPCLF) This is a federal grant used to help the citizens of Harrison County to obtain household sewage treatment system funding.

Women, Infants, and Children (WIC) Fund This is a federal grant fund that accounts for Special Supplemental Nutrition Program.

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

Maternal Child Health Program (MCHP) This is a federal grant whose objective is to promote health and wellness. This includes the following programs: Nutrition Assessment Program, Blessing in a Backpack, Cribs for Kids and Veggie U.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2017 budgetary activity appears in Note 4.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Water Pollution Control fund by \$9,260 for the year ended December 31, 2017. Also contrary to Ohio law, appropriation authority exceeded estimated resources in the Pools fund by \$265, in the Camps fund by \$298, in the Septic fund by \$2,180, in the RHWP fund by \$4,980, in the PHEP fund by \$23,956, in the WIC fund by \$10,815, in the Blessings in a Backpack fund by \$3,317, and in the Cribs for Kids fund by \$1,655 for the year ended December 31, 2017.

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2017, follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 650,674	\$ 650,674	\$ -
Special Revenue	459,115	482,442	23,327
Total	\$ 1,109,789	\$ 1,133,116	\$ 23,327

2017 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 554,693	\$ 536,773	\$ 17,920
Special Revenue	465,682	453,784	11,898
Total	\$ 1,020,375	\$ 990,557	\$ 29,818

Note 5 – Deposits and Investments

As required by the Ohio Revised Code, the Harrison County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

Note 6 – Intergovernmental Funding

Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

Note 7 – Interfund Balances

Advances

The Harrison County General Health District paid back the outstanding advances in the amount of Outstanding advances at December 31, 2017, consisted of \$34,295 advanced from the General Fund to the following funds to provide working capital for operations or projects:

- RHWP \$3,104
- PHEP \$21,027
- WIC \$6,992
- MCH \$3,173

These balances are currently outstanding.

Harrison County General Health District
Harrison County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 8 – Risk Management

Workers' Compensation coverage is provided by the State of Ohio.

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2017.

Note 10 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1% during calendar year 2017.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

July 1, 2019

Harrison County General Health District
Harrison County
538 North Main Street
Cadiz, OH 43907

To the Members of the Board:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Harrison County General Health District**, Harrison County (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated July 1, 2019, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

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Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-002.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

HARRISON COUNTY GENERAL HEALTH DISTRICT
HARRISON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2018-001

Material Weakness/Noncompliance

Fund Balance Classification

Fund balances should be properly classified based on Governmental Accounting Standards Statement No. 54.

During 2018 and 2017, fund balances were not always posted or classified correctly. The following errors were noted:

- During 2018 and 2017, the District did not properly classify Special Revenue funds as Restricted.

Not classifying fund balances accurately resulted in the financial statements requiring adjustments and reclassifications. The District has made all adjustments to its accounting system. The financial statements reflect all adjustments and reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

Officials' Response – We did not receive a response from officials to this finding.

HARRISON COUNTY GENERAL HEALTH DISTRICT
HARRISON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2018-002

Noncompliance

Ohio Rev. Code 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

We noted the following budgetary errors:

- In 2017, expenditures exceeded appropriations in the Water Pollution Control fund by \$9,260.
- In 2017, appropriations exceeded estimated resources in the following funds:
 - Pools \$265
 - Camps \$298
 - Septic \$2,180
 - RHWP \$4,980
 - PHEP \$23,956
 - WIC \$10,815
 - Blessings in a Backpack \$3,317
 - Cribs for Kids \$1,655
- In 2018, appropriations exceeded estimated resources in the following funds:
 - Private Water \$1,969
 - Camps \$869
 - PHEP \$2,743
 - WIC \$20,114
- In 2018, expenditures exceeded appropriations in the General fund by \$13,111.

The budgeting process is an essential monitoring control that, when properly used, reduces the possibility of the District encountering deficit spending.

The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Treasurer may request the Board of Education to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Officials' Response – We did not receive a response from officials to this finding.

OHIO AUDITOR OF STATE
KEITH FABER



HARRISON COUNTY DISTRICT BOARD OF HEALTH

HARRISON 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 13, 2019**