



Dave Yost • Auditor of State

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Kenton-Hardin General Health District
Hardin County
Courthouse Annex, Suite 120
175 W. Franklin St.
Kenton, Ohio 43326

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Kenton-Hardin General Hardin Health District, Hardin County, (the District) as of and for the years ended December 31, 2012 and 2011.

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; 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 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 opinion.

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

As described in Note 1 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, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2012 and 2011, 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 combined cash balances of the Kenton-Hardin General Health District, Hardin County as of December 31, 2012 and 2011, and its combined cash receipts and disbursements 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 permits, described in Note 1.

Emphasis of Matter

As discussed in Note 1F to the financial statements, during 2011 the Kenton-Hardin Health District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2013, 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.



Dave Yost
Auditor of State

Columbus, Ohio

July 18, 2013

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Federal Funds - Intergovernmental		\$11,704	\$11,704
State & Local - Intergovernmental	\$251,166	144,450	395,616
Inspection Fees		14,662	14,662
Permits		13,055	13,055
Other Fees	120,362	34,538	154,900
Licenses		53,159	53,159
Contractual Services	9,119	19,451	28,570
Other Receipts	88	2,500	2,588
Total Cash Receipts	<u>380,735</u>	<u>293,519</u>	<u>674,254</u>
Cash Disbursements:			
Salaries - Employees	215,404	169,237	384,641
Supplies	28,764	34,272	63,036
Remittance - State	15,077	9,516	24,593
Equipment		21,740	21,740
Contracts - Services		37,321	37,321
Travel and Expenses	4,928	6,624	11,552
Compensation & Damages - Liability Ins.	4,000		4,000
Hospitalization	63,629		63,629
OPERS	31,360	27,245	58,605
Workers Comp	3,331	2,745	6,076
Other Expenses	25,402	6,333	31,735
Total Cash Disbursements	<u>391,895</u>	<u>315,033</u>	<u>706,928</u>
Excess of Receipts (Under) Disbursements	<u>(11,160)</u>	<u>(21,514)</u>	<u>(32,674)</u>
Other Financing Receipts (Disbursements):			
Transfers In	783	783	1,566
Transfers Out		(1,566)	(1,566)
Advances In	15,000	20,000	35,000
Advances Out	(20,000)	(15,000)	(35,000)
Total Other Financing Receipts (Disbursements)	<u>(4,217)</u>	<u>4,217</u>	<u></u>
Net Change in Fund Cash Balances	(15,377)	(17,297)	(32,674)
Fund Cash Balances, January 1	<u>77,450</u>	<u>153,636</u>	<u>231,086</u>
Fund Cash Balances, December 31:			
Restricted		136,339	136,339
Assigned	5,300		5,300
Unassigned (Deficit)	56,773		56,773
Fund Cash Balances, December 31	<u>\$62,073</u>	<u>\$136,339</u>	<u>\$198,412</u>

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

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Federal Funds - Intergovernmental		\$23,045	\$23,045
State & Local - Intergovernmental	\$255,598	74,922	330,520
Inspection Fees		16,644	16,644
Permits		11,656	11,656
Other Fees	111,963	20,077	132,040
Licenses		56,286	56,286
Contractual Services	11,319	38,902	50,221
Other Receipts		4,318	4,318
Total Cash Receipts	<u>378,880</u>	<u>245,850</u>	<u>624,730</u>
Cash Disbursements:			
Current:			
Salaries - Employees	189,856	146,490	336,346
Supplies	13,724	16,520	30,244
Remittance - State	24,459	9,537	33,996
Equipment		10,515	10,515
Contracts - Services		7,371	7,371
Travel and Expenses	3,735	5,140	8,875
Compensation & Damages - Liability Ins.	4,000		4,000
Hospitalization	60,897		60,897
OPERS	27,746	22,571	50,317
Workers Comp	2,860	2,762	5,622
Other Expenses	39,923	6,127	46,050
Total Cash Disbursements	<u>367,200</u>	<u>227,033</u>	<u>594,233</u>
Excess of Receipts Over Disbursements	<u>11,680</u>	<u>18,817</u>	<u>30,497</u>
Other Financing Receipts (Disbursements):			
Transfers In	380	20,968	21,348
Transfers Out	(10,000)	(11,348)	(21,348)
Advances In	12,000	12,000	24,000
Advances Out	(12,000)	(12,000)	(24,000)
Total Other Financing Receipts (Disbursements)	<u>(9,620)</u>	<u>9,620</u>	<u>(24,000)</u>
Net Change in Fund Cash Balances	2,060	28,437	30,497
Fund Cash Balances, January 1	<u>75,390</u>	<u>125,199</u>	<u>200,589</u>
Fund Cash Balances, December 31:			
Restricted		153,636	153,636
Committed			
Assigned	5,000		5,000
Unassigned (Deficit)	72,450		72,450
Fund Cash Balances, December 31	<u>\$77,450</u>	<u>\$153,636</u>	<u>\$231,086</u>

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

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Kenton-Hardin General Health District, Hardin County, (the District) as a body corporate and politic. An eight-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.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District 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 expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

As required by the Ohio Revised Code, the Hardin 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.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose 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 revenues from food service licenses and expenditures are related to inspection services of food serving establishments.

Infrastructure Fund - This fund receives State grant revenues, which are administered through Union County, for bio-terrorism programs.

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. 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 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.

2. 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.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2012 and 2011 budgetary activity appears in Note 2.

F. 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:

1. Non-spendable

The District classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

2. 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.

3. Committed

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amend 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.

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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.

5. 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 expenditures 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 expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

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

H. 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.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$408,000	\$396,518	(\$11,482)
Special Revenue	328,372	314,302	(14,070)
Total	<u>\$736,372</u>	<u>\$710,820</u>	<u>(\$25,552)</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$468,000	\$411,895	\$ 56,105
Special Revenue	453,273	331,599	121,674
Total	<u>\$921,273</u>	<u>\$743,494</u>	<u>\$177,779</u>

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$385,000	\$391,260	\$ 6,260
Special Revenue	321,582	278,818	(42,764)
Total	<u>\$706,582</u>	<u>\$670,078</u>	<u>(\$36,504)</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$435,115	\$389,200	\$ 45,915
Special Revenue	416,957	250,381	166,576
Total	<u>\$852,072</u>	<u>\$639,581</u>	<u>\$212,491</u>

3. 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.

4. RETIREMENT Systems

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. For 2012 and 2011, 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, 2012.

5. RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

5. RISK MANAGEMENT (Continued)

A. Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

B. Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011.

	2012	2011
Assets	\$34,389,569	\$33,362,404
Liabilities	(14,208,353)	(14,187,273)
Net Assets	\$20,181,216	\$19,175,131

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13 million of estimated incurred claims payable. The assets above also include approximately \$12.64 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the District's share of these unpaid claims collectible in future years is approximately \$4,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP	
2012	2011
\$4,958	\$4,186

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

6. TRANSFERS

During 2012 and 2011, the Special Revenue H1N1 Grant Fund transferred \$783 and \$389, respectively, to the General Fund to reimburse for supplies which are allowable expenditures of this Fund. Initially in 2012, the \$783 was accidentally transferred to the School Nursing Fund but was then corrected with an additional transfer to the General Fund. In 2011, the Special Revenue H1N1 Fund transferred \$10,968 to the Infrastructure Grant Fund since this money was initially recorded in the wrong fund.

7. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. 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.



Dave Yost • Auditor of State

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

Kenton-Hardin General Health District
Hardin County
Courthouse Annex, Suite 120
175 W. Franklin St.
Kenton, Ohio 43326

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 Kenton-Hardin General Health District, Hardin County, (the District) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2013, wherein we noted the District followed financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1. We also noted that in 2011 the District adopted Governmental Standards Board Statement No. 54.

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 opinion 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.

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. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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. We consider finding 2012-001 described in the accompanying schedule of findings to be a material weakness.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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 Government's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Government's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

July 18, 2013

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012 AND 2011**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2012-001

Material Weakness

Accuracy of Financial Reporting

Procedures and controls should be in place to prevent and detect errors in the accounting records, financial statements, and notes to the financial statements to help assure that the users have accurate and complete information. The District's accounting records and financial statements had the following receipt and disbursement classification errors:

Year	Fund	Amount	District Classification	Proper Classification
2012	General Fund	\$15,077	Other Expenditures	Remittance-State
2012	General Fund	\$3,640	Other Expenditures	Salaries - Employees
2012	General Fund	\$6,666	Federal Funds – Intergovernmental	State & Local – Intergovernmental
2012	Special Revenue Fund – Reproductive Health/Wellness	\$16,503	Other Receipts	Other Fees
2012	Special Revenue Fund – Reproductive Health/Wellness	\$6,144	Other Receipts	State & Local – Intergovernmental
2011	General Fund	\$11,098	Federal Funds – Intergovernmental	State & Local - Intergovernmental
2011	General Fund	\$24,459	Other Expenditure	Remittance-State
2011	General Fund	\$4,000	Other Expenditure	Salaries - Employees
2011	General Fund	\$5,000	Fund Cash Balance - Committed	Fund Cash Balance - Assigned
2011	Special Revenue Fund – Private Water	\$200	Fund Cash Balance - Committed	Fund Cash Balance - Restricted
2011	Special Revenue Fund – All	\$153,437	Fund Cash Balance - Unassigned	Fund Cash Balance - Restricted
2011	Special Revenue Fund – Reproductive Health/Wellness	\$13,889	Other Receipts	Other Fees
2011	Special Revenue Fund – Well Child	\$4,823	Other Receipts	State & Local – Intergovernmental

Also, the District implemented GASB 54 in 2011; however, the notes to the financial statements did not include the applicable disclosures. In addition, the transfers note was not updated to present activity during 2012 and 2011.

The accompanying financial statements and note disclosures have been adjusted to correct the errors identified above.

Errors in the accounting records, financial statements, and notes to the financial statements, inhibit the ability of the District and its fiscal agent to monitor financial activity and to make sound financial decisions. Reliance on financial information that contains errors could impact the District's ability to comply with applicable laws and regulations. In addition, financial reporting errors will reduce the likelihood that irregularities will be detected in a timely manner.

FINDING NUMBER 2012-001
(Continued)

The District and its fiscal agent should review governmental accounting resources for guidance in the recording of financial activity and the preparation of the notes to the financial statements. The District's Board and management should also perform a periodic review of the accounting records to help identify recording errors.

OFFICIALS' RESPONSE:

We acknowledge the errors in the audit; we do have a new fiscal officer. We will try our best to correct the mistakes in the future.

**KENTON-HARDIN GENERAL HEALTH DISTRICT
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012 AND 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-01	Proper Classification of Financial Activity	No	Repeated as Finding 2012-001

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Dave Yost • Auditor of State

KENTON- HARDIN GENERAL HEALTH DISTRICT

HARDIN 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, 2013**