



**HIGHLAND COUNTY GENERAL HEALTH DISTRICT
HIGHLAND COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HIGHLAND COUNTY GENERAL HEALTH DISTRICT
HIGHLAND COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

Highland County General Health District
Highland County
200 Hobart Drive
Hillsboro, Ohio 45133

To the Board:

We have audited the accompanying financial statements of Highland County General Health District, Highland County, Ohio (the District), as of and for the years ended December 31, 2000 and 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 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 audits provide a reasonable basis for our opinion.

As described 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 Highland County General Health District, Highland County, Ohio, as of December 31, 2000 and 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 16, 2001, on our consideration of the Health 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 District Board of Health, management, and other officials authorized to receive this report under Section 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 16, 2001

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**HIGHLAND COUNTY GENERAL HEALTH DISTRICT
HIGHLAND 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**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Taxes	\$222,327	\$0	\$222,327
Subdivisions	77,041	0	77,041
Licenses, Permits, and Fees	207,710	62,583	270,293
Intergovernmental	96,973	0	96,973
Miscellaneous	16,460	1,682	18,142
	<u>620,511</u>	<u>64,265</u>	<u>684,776</u>
Cash Disbursements:			
Salaries and Benefits	504,565	39,387	543,952
Supplies and Materials	24,546	188	24,734
Rent and Utilities	24,000	0	24,000
Contractual Services	5,615	5,365	10,980
Travel Expenses	22,154	7,887	30,041
Advertising	1,213	0	1,213
Remittances to State	0	8,295	8,295
Miscellaneous	59,195	1,941	61,136
	<u>641,288</u>	<u>63,063</u>	<u>704,351</u>
Total Receipts Over/(Under) Disbursements	<u>(20,777)</u>	<u>1,202</u>	<u>(19,575)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	524	0	524
Transfers-Out	0	(524)	(524)
	<u>524</u>	<u>(524)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(20,253)</u>	<u>678</u>	<u>(19,575)</u>
Fund Cash Balances, January 1	<u>68,944</u>	<u>19,510</u>	<u>88,454</u>
Fund Cash Balances, December 31	<u>\$48,691</u>	<u>\$20,188</u>	<u>\$68,879</u>
Reserves for Encumbrances, December 31	<u>\$3,172</u>	<u>\$47</u>	<u>\$3,219</u>

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

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT
HIGHLAND 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**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Taxes	\$222,396	\$0	\$222,396
Subdivisions	74,271	0	74,271
Licenses, Permits, and Fees	154,813	258,780	413,593
Intergovernmental	97,559	0	97,559
Miscellaneous	10,880	1,832	12,712
	<u>559,919</u>	<u>260,612</u>	<u>820,531</u>
Cash Disbursements:			
Salaries and Benefits	408,812	289,702	698,514
Supplies and Materials	38,999	4,292	43,291
Rent and Utilities	24,000	0	24,000
Equipment	1,294	100	1,394
Contractual Services	4,827	25,000	29,827
Travel Expenses	23,466	17,017	40,483
Advertising	1,338	0	1,338
Remittances to State	0	9,343	9,343
Miscellaneous	66,462	25,732	92,194
	<u>569,198</u>	<u>371,186</u>	<u>940,384</u>
Total Receipts Over/(Under) Disbursements	<u>(9,279)</u>	<u>(110,574)</u>	<u>(119,853)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	9,009	97,240	106,249
Transfers-Out	(97,240)	(9,009)	(106,249)
	<u>(88,231)</u>	<u>88,231</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(97,510)</u>	<u>(22,343)</u>	<u>(119,853)</u>
Fund Cash Balances, January 1	<u>166,454</u>	<u>41,853</u>	<u>208,307</u>
Fund Cash Balances, December 31	<u>\$68,944</u>	<u>\$19,510</u>	<u>\$88,454</u>
Reserves for Encumbrances, December 31	<u>\$1,999</u>	<u>\$194</u>	<u>\$2,193</u>

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

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Highland County General Health District, Highland 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 six-member Board selected by the Highland County Health District Advisory Council which consists of representatives of the Villages, Townships, and Highland County Commissioners. The District provides general health services to Highland County.

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 Highland County Auditor is the fiscal agent of the District. The District's cash is held and invested by the Highland 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.

D. Fund Accounting

The District uses fund accounting to segregate cash that is 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 required to be accounted for in another fund.

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:

Public Health Nursing Fund - This fund receives fees to provide nursing services to the public.

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Food Service (Restaurant) Fund - This fund receives monies from licenses and fees to provide for monitoring of restaurants operating in Highland County.

Water System Fund - This fund receives monies from permits and fees to provide for monitoring water systems in Highland County. .

Trailer Park Fund - This fund receives fees to provide for monitoring of trailer parks in Highland County.

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 fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Health must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and subsequent amendments. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

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.

2. FUND CASH BALANCES

The Highland County Treasurer maintains a cash and investments pool used by all of the County's funds, including those of the Highland County General Health District. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash on deposit with the County at December 31, 2000 and 1999, was \$68,879 and \$88,454, respectively. The Highland County Treasurer is responsible for maintaining adequate depository collateral for all funds in Highland County's pooled cash and investments.

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. 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	\$ 619,368	\$ 621,035	\$ 1,667
Special Revenue	<u>63,490</u>	<u>64,265</u>	<u>775</u>
Total	<u>\$ 682,858</u>	<u>\$ 685,300</u>	<u>\$ 2,442</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 680,742	\$ 644,460	\$ 36,282
Special Revenue	<u>80,501</u>	<u>63,634</u>	<u>16,867</u>
Total	<u>\$ 761,243</u>	<u>\$ 708,094</u>	<u>\$ 53,149</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 545,022	\$ 568,928	\$ 23,906
Special Revenue	<u>352,524</u>	<u>357,852</u>	<u>5,328</u>
Total	<u>\$ 897,546</u>	<u>\$ 926,780</u>	<u>\$ 29,234</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 688,475	\$ 668,437	\$ 20,038
Special Revenue	<u>422,280</u>	<u>380,389</u>	<u>41,891</u>
Total	<u>\$ 1,110,755</u>	<u>\$ 1,048,826</u>	<u>\$ 61,929</u>

4. SUBDIVISION REVENUE

The cities, villages, and townships that receive services from the District contribute to the operations of the District. The County Auditor assesses each subdivision their share of the operating cost, which is calculated by the District, through property tax collections. When the County Auditor disburses property taxes to the subdivisions, the appropriate deduction is made on the subdivisions' settlements and transmitted to the District.

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. RETIREMENT SYSTEM

The District's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement 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. PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 10.84% of participants' gross salaries in 2000 and 13.55% of participants' gross salaries in 1999. The District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The District has obtained insurance through the Public Entities Risk Pool of Ohio for the following risks:

- Comprehensive property and general liability
- Errors and omissions



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

Highland County General Health District
Highland County
200 Hobart Drive
Hillsboro, Ohio 45133

To the Board:

We have audited the financial statements of Highland County General Health District, Highland County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 16, 2001. We conducted our audit 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 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*. We did, however, note a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated May 16, 2001.

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 May 16, 2001.

Highland County General Health District
Highland 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 Board of Health and management, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 16, 2001



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HIGHLAND COUNTY GENERAL HEALTH DISTRICT

HIGHLAND 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 7, 2001**