



**GENERAL HEALTH DISTRICT
ROSS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GENERAL HEALTH DISTRICT
ROSS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

General Health District
Ross County
475 Western Avenue, Suite A
Chillicothe, Ohio 45601

To Members of the Board:

We have audited the accompanying financial statements of General Health District, Ross County, Ohio (the District) as of and for the year ended December 31, 2001. 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 accounting principles generally accepted in the United States of America.

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, Ross County, Ohio as of December 31, 2001, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 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.

We performed our audit to form an opinion on the financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

April 8, 2002

**GENERAL HEALTH DISTRICT
ROSS 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:			
Taxes/Levies	\$703,819	\$0	\$703,819
Intergovernmental Revenue	211,562	1,310,759	\$1,522,321
Licenses	3,300	143,590	\$146,890
Fees	154,924	4,783	\$159,707
Permits	157,881	18,854	\$176,735
Charges for Services	2,233,516	0	\$2,233,516
Other	81,353	125	\$81,478
Donations	3,374	0	3,374
	<u>3,549,729</u>	<u>1,478,111</u>	<u>5,027,840</u>
Total Cash Receipts			
	<u>3,549,729</u>	<u>1,478,111</u>	<u>5,027,840</u>
Cash Disbursements:			
Salaries	1,700,443	937,105	2,637,548
Fringe Benefits	180,928	132,975	313,903
State Remittance	16,449	12,264	28,713
Supplies	124,062	41,919	165,981
Contract Services	358,579	119,855	478,434
Rentals	116,286	32,959	149,245
Utilities	46,950	15,202	62,152
Insurance	260,030	64,337	324,367
Travel	113,275	25,894	139,169
Advertising & Printing	30,478	14,012	44,490
Equipment	44,515	17,541	62,056
Other	81,836	158,724	240,560
	<u>3,073,831</u>	<u>1,572,787</u>	<u>4,646,618</u>
Total Disbursements			
	<u>3,073,831</u>	<u>1,572,787</u>	<u>4,646,618</u>
Total Receipts Over/(Under) Disbursements	<u>475,898</u>	<u>(94,676)</u>	<u>381,222</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	46,422	46,422
Advances-In	0	111,426	111,426
Transfers-Out	(46,422)	0	(46,422)
Advances-Out	(111,426)	0	(111,426)
	<u>(157,848)</u>	<u>157,848</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(157,848)</u>	<u>157,848</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>318,050</u>	<u>63,172</u>	<u>381,222</u>
Fund Cash Balances, January 1	<u>238,580</u>	<u>78,591</u>	<u>317,171</u>
Fund Cash Balances, December 31	<u>\$556,630</u>	<u>\$141,763</u>	<u>\$698,393</u>
Reserves for Encumbrances, December 31	<u>\$50,686</u>	<u>\$37,387</u>	<u>\$88,073</u>

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

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**GENERAL HEALTH DISTRICT
ROSS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The General Health District, Ross County, Ohio (the District) is defined by Ohio Revised Code, Section 3709.01. The District is directed by a five-member Board and a Health Commissioner. The District is responsible for the administration of all health programs established by the Ohio Revised Code, the Ohio Department of Health and the Public Health Council. Services provided by the District include, but are not limited to, the inspection and licensing of public health programs, community nursing activities, the control of communicable diseases, immunization clinics, environmental health programs and home health activities.

By law, the Ross County Auditor is the fiscal agent of the District.

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. As of December 31, 2001, the District's share of the County's Cash and Investment Pool was \$698,313. All risks associated with deposits and investments held at the Treasurer's Office are the responsibility of Ross County.

The Board maintains a separate checking account for which all monies collected directly by the Board are deposited. Monthly the balance is transferred to the County Auditor, the fiscal agent. At December 31, 2001, this account had a reconciled balance of zero. Deposits made to this account are secured by FDIC and pooled collateral held by and in the name of the financial institution.

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.

**GENERAL HEALTH DISTRICT
ROSS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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 Fund:

Help Me Grow Fund- This is fund receives reimbursements from Ross County Job and Family Services used to provide support for parental education and child development.

Women, Infant and Children Fund- This fund receives federal grant funds used to account for the Special Supplemental Nutrition program to women, infants and children.

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, 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. each year for the period January 1 to December 31 of the following year.

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 the 2001 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.

**GENERAL HEALTH DISTRICT
ROSS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

Employees are entitled to cash payments for unused vacation, personal and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as a liability under District's basis of accounting.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2001 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,237,368	\$3,549,729	\$1,312,361
Special Revenue	2,465,258	1,524,533	(940,725)
Total	\$4,702,626	\$5,074,262	\$371,636

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,170,939	\$3,170,939	\$0
Special Revenue	1,884,702	1,610,174	274,528
Total	\$5,055,641	\$4,781,113	\$274,528

3. 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. 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.

4. RISK MANAGEMENT

The Ross County Commissioners maintain, on behalf of the District, comprehensive insurance coverage with private carriers for real property and building contents. Real property and contents are 90 percent co-insured. The District is covered by these policies. The District also maintains additional insurance coverage in the form of public officials' liability policy.

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**GENERAL HEALTH DISTRICT
ROSS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	ODH-71-1-001-1-CL-01	10.557	\$ 242,227
Total U.S. Department of Agriculture			<u>242,227</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed Through Ohio Department of Health</i>			
Centers for Disease Control and Prevention Investigations	ODH-71-1-01-P-DT-39	93.283	118,062
Grants to Provide Outpatient Early Intervention Services with respect to HIV disease	5H76HA00502-04 6H76HA00502-04	93.918	160,373
Cooperative Agreements for State-Based Comprehensive Breast & Cervical Cancer	ODH-71-1-001-2-AE-0	93.919	134,361
Preventive Health and Health Services Block Grant	ODH071-1-001-2-ED-0	93.991	90,600
Immunization Grants	ODH-71-1-001-2-AZ-01	93.268	19,992
Total U.S. Department of Health & Human Services			<u>523,388</u>
<u>U.S. Department of Education</u>			
<i>Passed Through Ohio Department of Health</i>			
Special Education Grants for Infants and Families with Disabilities	ODH-71-1-01-F-AN	84.181	87,431
Total U.S. Department of Education			<u>87,431</u>
<u>U.S. Department of Transportation</u>			
<i>Passed Through Ohio Department of Public Safety and Office of the Governor's Highway Safety Repres.</i>			
State and Community Highway Safety	71000HDO	20.600	42,211
Total U.S. Department of Transportation			<u>42,211</u>
Total Federal Awards Expenditures			<u><u>\$ 895,257</u></u>

**GENERAL HEALTH DISTRICT
ROSS COUNTY**

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the District contributes non-Federal funds (matching funds) to support the Federally-funded programs. The expenditures of non-Federal matching funds is not included in the Schedule.



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

General Health District
Ross County
475 Western Avenue, Suite A
Chillicothe, Ohio 45601

To Members of the Board:

We have audited the accompanying financial statements of General Health District, Ross County, Ohio (the District) as of and for the year ended December 31, 2001, and have issued our report thereon dated April 8, 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 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 8, 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 April 8, 2002.

This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

April 8, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

General Health District
Ross County
475 Western Avenue, Suite A
Chillicothe, Ohio 45601

To Members of the Board:

Compliance

We have audited the compliance of General Health District, Ross County, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December, 31, 2001.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

April 8, 2002

**GENERAL HEALTH DISTRICT
ROSS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants and Children (WIC) 10.557
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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GENERAL HEALTH DISTRICT

ROSS 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 23, 2002**