



**Auditor of State
Betty Montgomery**

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Independent Accountant's Report..... | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002..... | 3 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001..... | 4 |
| Notes to the Financial Statements | 5 |
| Independent Accountant's Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 9 |

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANT'S REPORT

Portage County Combined General Health District
Portage County
449 South Meridian Street
Ravenna, Ohio 44266

To Members of the Board:

We have audited the accompanying financial statements of the Portage County Combined General Health District, Portage County, Ohio (the District) as of and for the years ended December 31, 2002 and 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Portage County Combined General Health District as of December 31, 2002 and December 31, 2001, 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 October 16, 2003, 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.

Portage County Combined General Health District
Portage County
Independent Accountant's Report
Page 2

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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 16, 2003

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

| | <u>Governmental Fund Types</u> | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| Federal Awards | | \$123,399 | \$123,399 |
| State Awards | | 20,383 | 20,383 |
| Levies | \$305,616 | | 305,616 |
| Inspection fees | 123,732 | 186,481 | 310,213 |
| Permits | 296,209 | | 296,209 |
| Licenses | 179,868 | 9,926 | 189,794 |
| Reimbursements | 36,446 | | 36,446 |
| Fines | 252 | | 252 |
| Contractual services | 15,240 | | 15,240 |
| Other receipts | 139,396 | 109,180 | 248,576 |
| Total Cash Receipts | 1,096,759 | 449,369 | 1,546,128 |
| Cash Disbursements: | | | |
| Salaries | 740,211 | 160,583 | 900,794 |
| Supplies | 55,784 | | 55,784 |
| Remittances to State | | 17,236 | 17,236 |
| Project Fund Expenses - State | | 49,945 | 49,945 |
| Equipment | 5,448 | | 5,448 |
| Contracts - Repair | 19,814 | | 19,814 |
| Contracts - Services | 4,788 | | 4,788 |
| Travel | 25,601 | 7,410 | 33,011 |
| Advertising and printing | 823 | | 823 |
| Public employee's retirement | 100,302 | 21,761 | 122,063 |
| Worker's compensation | 21,797 | 5,188 | 26,985 |
| Project Fund Expenses - Federal | | 21,232 | 21,232 |
| Other | 183,202 | 46,047 | 229,249 |
| Total Disbursements | 1,157,770 | 329,402 | 1,487,172 |
| Total Receipts Over/(Under) Disbursements | (61,011) | 119,967 | 58,956 |
| Other Financing Receipts/(Disbursements): | | | |
| Refunds | 7,270 | | 7,270 |
| Other sources | 22,945 | | 22,945 |
| Total Other Financing Receipts/(Disbursements) | 30,215 | 0 | 30,215 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | (30,796) | 119,967 | 89,171 |
| Fund Cash Balances, January 1 | 406,311 | 80,438 | 486,749 |
| Fund Cash Balances, December 31 | \$375,515 | \$200,405 | \$575,920 |
| Reserves for Encumbrances, December 31 | \$8,009 | \$10,698 | \$18,707 |

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

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY**

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

| | <u>Governmental Fund Types</u> | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| Federal Awards | | \$16,000 | \$16,000 |
| State Awards | | 34,000 | 34,000 |
| Levies | \$289,526 | | 289,526 |
| Inspection fees | 147,042 | 174,721 | 321,763 |
| Permits | 301,740 | | 301,740 |
| Licenses | 181,760 | 12,675 | 194,435 |
| Reimbursements | 39,499 | | 39,499 |
| Fines | 370 | | 370 |
| Contractual services | 8,078 | | 8,078 |
| Other receipts | 193,225 | 116,119 | 309,344 |
| | <u>1,161,240</u> | <u>353,515</u> | <u>1,514,755</u> |
| Total Cash Receipts | 1,161,240 | 353,515 | 1,514,755 |
| Cash Disbursements: | | | |
| Salaries | 703,539 | 179,125 | 882,664 |
| Supplies | 52,249 | | 52,249 |
| Remittances to State | | 17,014 | 17,014 |
| Project Fund Expenses - State | | 43,123 | 43,123 |
| Equipment | 21,364 | | 21,364 |
| Contracts - Repair | 14,401 | | 14,401 |
| Contracts - Services | 1,086 | | 1,086 |
| Travel | 23,610 | 9,137 | 32,747 |
| Advertising and printing | 2,676 | | 2,676 |
| Public employee's retirement | 95,514 | 23,827 | 119,341 |
| Worker's compensation | 22,410 | 4,330 | 26,740 |
| Project Fund Expenses - Federal | | 16,000 | 16,000 |
| Unemployment compensation | 7,885 | | 7,885 |
| Other | 163,189 | 45,601 | 208,790 |
| | <u>1,107,923</u> | <u>338,157</u> | <u>1,446,080</u> |
| Total Disbursements | 1,107,923 | 338,157 | 1,446,080 |
| Total Receipts Over/(Under) Disbursements | 53,317 | 15,358 | 68,675 |
| Fund Cash Balances, January 1 | 352,994 | 65,080 | 418,074 |
| Fund Cash Balances, December 31 | <u>\$406,311</u> | <u>\$80,438</u> | <u>\$486,749</u> |
| Reserves for Encumbrances, December 31 | <u>\$20,532</u> | <u>\$599</u> | <u>\$21,131</u> |

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

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Portage County Combined General Health District, Portage County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board, who are appointed by the District Advisory Council and the Mayors of the Cities of Aurora and Streetsboro. The Board appoints the Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, paternity testing, county employees' wellness program, family life education program, public health nursing services, and the issuance of health-related licenses and permits.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Food Service Fund – This fund receives monies from the purchase of food service and vending licenses.

Federal Funds – In year 2002, the District established a fund for a federal grant for Public Health Infrastructure.

State Funds – The District receives funding for several State grants, Rabies Prevention and Immunization Action Grant, which was 50% federally funded in 2001.

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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

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

A summary of 2002 and 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under District's basis of accounting.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follow:

2002 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|------------------------------|----------------------------|------------------|
| General | \$1,104,045 | \$1,126,974 | \$22,929 |
| Special Revenue | 370,617 | 449,369 | 78,752 |
| Total | <u>\$1,474,662</u> | <u>\$1,576,343</u> | <u>\$101,681</u> |

2002 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|-------------------|
| General | \$ 1,374,473 | \$ 1,165,779 | \$ 208,694 |
| Special Revenue | 359,385 | 340,100 | 19,285 |
| Total | <u>\$ 1,733,858</u> | <u>\$ 1,505,879</u> | <u>\$ 227,979</u> |

2001 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|------------------------------|----------------------------|-----------------|
| General | \$1,094,377 | \$1,161,240 | \$66,863 |
| Special Revenue | 326,054 | 353,515 | 27,461 |
| Total | <u>\$1,420,431</u> | <u>\$1,514,755</u> | <u>\$94,324</u> |

2001 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|-------------------|
| General | \$ 1,397,515 | \$ 1,128,455 | \$ 269,060 |
| Special Revenue | 360,857 | 338,755 | 22,102 |
| Total | <u>\$ 1,758,372</u> | <u>\$ 1,467,210</u> | <u>\$ 291,162</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. These amounts are included as levies receipts in the financial statements.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

4. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2002.

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Portage County Combined General Health District
Portage County
449 South Meridian Street
Ravenna, Ohio 44266

To Members of the Board:

We have audited the accompanying financial statements of Portage County Combined General Health District (the District) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated October 16, 2003. We conducted our audit in accordance with auditing standards generally accepted by 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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.

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

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

Betty Montgomery
Auditor of State

October 16, 2003



**Auditor of State
Betty Montgomery**

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PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT

PORTAGE 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
NOVEMBER 18, 2003**