



**Auditor of State
Betty Montgomery**

**GEAUGA COUNTY COMBINED HEALTH DISTRICT
GEAUGA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Geauga County Combined Health District
Geauga County
470 Center Street, Building 8
Chardon, Ohio 44024

To the Members of the Board:

We have audited the accompanying financial statements of the Geauga County Combined Health District, Geauga 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 audits.

We conducted our audits 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 audits 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 the Geauga County Combined Health District, Geauga County, Ohio, 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 April 15, 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 audits.

This report is intended solely for the information and use of the audit committee, management, the Members of 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 cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

April 15, 2003

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**GEAUGA COUNTY COMBINED HEALTH DISTRICT
GEAUGA 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Levies	\$332,745		\$332,745
Fines and Fees	263,085	\$59,945	323,030
Licenses and Permits	362,042	222,003	584,045
Intergovernmental Revenue	155,741	347,790	503,531
Other Receipts	49,740	3,191	52,931
	<u>1,163,353</u>	<u>632,929</u>	<u>1,796,282</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	622,277	201,812	824,089
Supplies	48,696		48,696
Equipment	55,995	200	56,195
Contracts - Repair	15,752		15,752
State Remittance		34,095	34,095
Advertising and Printing	6,858		6,858
Travel and Expenses	27,937	2,596	30,533
Ohio Public employee's retirement	81,965	26,237	108,202
Hospitalization	115,727	18,112	133,839
Worker's compensation	2,170	694	2,864
Project Fund Disbursements		336,419	336,419
Other Expenses	81,532	5,007	86,539
	<u>1,058,909</u>	<u>625,172</u>	<u>1,684,081</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>104,444</u>	<u>7,757</u>	<u>112,201</u>
Other Financing Receipts/(Disbursements):			
Refunds	3,299		3,299
Reimbursements	6,219		6,219
Other receipts	636		636
	<u>10,154</u>	<u>0</u>	<u>10,154</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>114,598</u>	<u>7,757</u>	<u>122,355</u>
Fund Cash Balances, January 1, 2002	<u>759,338</u>	<u>332,903</u>	<u>1,092,241</u>
Fund Cash Balances, December 31, 2002	<u><u>\$873,936</u></u>	<u><u>\$340,660</u></u>	<u><u>\$1,214,596</u></u>
Reserves for Encumbrances, December 31, 2002	<u><u>\$15,254</u></u>	<u><u>\$4,189</u></u>	<u><u>\$19,443</u></u>

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

**GEAUGA COUNTY COMBINED HEALTH DISTRICT
GEAUGA 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Levies	\$350,403		\$350,403
Fines and Fees	187,751	\$58,819	246,570
Licenses and Permits	344,321	216,375	560,696
Intergovernmental Revenue	106,142	289,324	395,466
Other Revenue	70,734	3,651	74,385
Total Cash Receipts	<u>1,059,351</u>	<u>568,169</u>	<u>1,627,520</u>
Cash Disbursements:			
Salaries	639,749	186,100	825,849
Supplies	35,370	630	36,000
Equipment	35,473		35,473
Contracts - Repair	15,895		15,895
State Remittance		30,285	30,285
Advertising and Printing	5,177		5,177
Travel and Expenses	28,510	6,725	35,235
Ohio Public employee's retirement	77,393	22,343	99,736
Hospitalization	107,276	15,004	122,280
Worker's compensation	3,945	1,044	4,989
Project Fund Disbursements		299,056	299,056
Other Expenses	63,422	28,563	91,985
Total Disbursements	<u>1,012,210</u>	<u>589,750</u>	<u>1,601,960</u>
Total Receipts Over/(Under) Disbursements	<u>47,141</u>	<u>(21,581)</u>	<u>25,560</u>
Other Financing Receipts/(Disbursements):			
Refunds	10,099	576	10,675
Reimbursements	11,731		11,731
Other Receipts	313		313
Total Other Financing Receipts/(Disbursements)	<u>22,143</u>	<u>576</u>	<u>22,719</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>69,284</u>	<u>(21,005)</u>	<u>48,279</u>
Fund Cash Balances, January 1, 2001	<u>690,054</u>	<u>353,908</u>	<u>1,043,962</u>
Fund Cash Balances, December 31, 2001	<u><u>\$759,338</u></u>	<u><u>\$332,903</u></u>	<u><u>\$1,092,241</u></u>
Reserves for Encumbrances, December 31, 2001	<u><u>\$12,881</u></u>	<u><u>\$5,224</u></u>	<u><u>\$18,105</u></u>

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

**GEAUGA COUNTY COMBINED HEALTH DISTRICT
GEAUGA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Geauga County Combined Health District, Geauga County, Ohio (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 and a Health Commissioner. Board members are appointed by the District's Advisory Council for a term of 5 years. Empowered by Section 3709.07, Ohio Revised Code, the Combined Health District consist of 1 City, 5 Villages and 16 Townships. The Chief Executive Officer of each constituent political subdivisions serves on the District Advisory Council as Commissioner for a term not to exceed 2 years. The Health Commissioner presides over the County Health Department and reports to the Board as its regular meeting each month. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issuing health-related licenses and permits.

As a separate political entity, the Geauga County Health District operates autonomously from the government of Geauga County. However, the Ohio Revised Code charges the County Auditor and County Treasurer to serve in similar capacities for the District. Charged with maintaining the health and welfare of the District, the District is empowered to enforce the laws, rules and regulations as promulgated by the appropriate federal and state legislatures, departments and agencies.

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. All disbursements are made by warrants prepared by the County Auditor drawn on deposits held in the name of the County.

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.

**GEAUGA COUNTY COMBINED HEALTH DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2002 AND 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 Funds:

Women, Infants and Children (WIC) Fund - This is a Federal grant fund used to account for the Special Supplemental Nutrition Program.

Food Service Fund - This fund receives fee and license revenue for the health inspections of food establishments.

E. Budgetary Process

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's 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. 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 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. Unpaid Vacation and Sick Leave

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

**GEAUGA COUNTY COMBINED HEALTH DISTRICT
GEAUGA COUNTY**

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,369,138	\$1,173,507	(\$195,631)
Special Revenue	619,129	632,929	13,800
Total	\$1,988,267	\$1,806,436	(\$181,831)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,436,697	\$1,074,163	\$362,534
Special Revenue	715,402	629,361	86,041
Total	\$2,152,099	\$1,703,524	\$448,575

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,253,577	\$1,081,494	(\$172,083)
Special Revenue	561,038	568,745	7,707
Total	\$1,814,615	\$1,650,239	(\$164,376)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,527,575	\$1,025,091	\$502,484
Special Revenue	679,957	594,974	84,983
Total	\$2,207,532	\$1,620,065	\$587,467

**GEAUGA COUNTY COMBINED HEALTH DISTRICT
GEAUGA COUNTY**

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

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Revenue. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property with the County by each April 30.

The County is responsible for assessing property, and for billing, collecting and distributing all property taxes on behalf of the District.

The County Commissioners are serving as a special taxing authority to levy a special levy outside the ten-mill limitation to provide the Board of Health with sufficient funds to carry out health programs.

4. RETIREMENT SYSTEM

The District's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS 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, OPERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. 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.

The District also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



Auditor of State Betty Montgomery

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

Geauga County Combined Health District
Geauga County
470 Center Street, Building 8
Chardon, Ohio 44024

To the Members of the Board:

We have audited the financial statements of the Geauga County Combined Health District, Geauga County, Ohio, (the District) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 15, 2003. We conducted our audits 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 audits 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 audits, 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 Members of 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

April 15, 2003



**Auditor of State
Betty Montgomery**

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GEAUGA COUNTY COMBINED HEALTH DISTRICT

GEAUGA 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 27, 2003**