



**Auditor of State
Betty Montgomery**

**PIKE COUNTY GENERAL HEALTH DISTRICT
PIKE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Pike County General Health District
Pike County
229 Valleyview Drive
Waverly, Ohio 45690

To Members of the Board:

We have audited the accompanying financial statements of the Pike County General Health District, Pike County, Ohio (the District), as of and for the years ended December 31, 2002 and 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 Pike County General Health District, Pike County, as of December 31, 2002 and 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 June 26, 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.

This report is intended solely for the information and use of management, the Board of Health 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

June 26, 2003

**PIKE COUNTY GENERAL HEALTH DISTRICT
PIKE COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Agency</u>	
Cash Receipts:				
Property Taxes	\$448,219	\$	\$	\$448,219
Intergovernmental	421,432	99,172	15,006	535,610
Licenses, Fees and Permits	45,030	1,355,350		1,400,380
All Other Revenue	95,647	4,334	120	100,101
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Total Cash Receipts	1,010,328	1,458,856	15,126	2,484,310
Cash Disbursements:				
Salaries	496,500	565,881	10,534	1,072,915
Supplies	27,346	25,387	1,325	54,058
Equipment	13,870	31,727		45,597
Contract Services	38,991	253,048		292,039
Rentals	13,779	10,611		24,390
Travel and Expenses	36,334	46,050	121	82,505
PERS	69,487	79,265	1,477	150,229
Advertising and Printing	813	637		1,450
Remittance - State		62,754		62,754
Project Fund Expense		19,970		19,970
Worker's Compensation	2,388	3,936	267	6,591
Hospitalization	120,137	82,805		202,942
Other Expenses	78,572	40,639		119,211
Medicare	6,592	8,022	152	14,766
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Total Cash Disbursements	904,809	1,230,732	13,876	2,149,417
Total Cash Receipts Over/(Under) Cash Disbursements	105,519	228,124	1,250	334,893
Other Financing Receipts/(Disbursements):				
Refunds	2,388			2,388
Transfers-In		3,765	157	3,922
Advances-In	5,500	35,000	1,000	41,500
Transfers-Out	(3,922)			(3,922)
Advances-Out	(36,000)	(5,500)		(41,500)
Other Sources		43	5	48
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(32,034)	33,308	1,162	2,436
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	73,485	261,432	2,412	337,329
Fund Cash Balances, January 1	428,908	953,442	790	1,383,140
Fund Cash Balances, December 31	\$502,393	\$1,214,874	\$3,202	\$1,720,469
Reserve for Encumbrances, December 31	\$8,238	\$34,220	\$0	\$42,458

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

**PIKE COUNTY GENERAL HEALTH DISTRICT
PIKE COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	
Cash Receipts:				
Property Taxes	\$313,155	\$	\$	\$313,155
Intergovernmental	298,019	121,221	54,784	474,024
Licenses, Fees and Permits	38,830	1,422,330		1,461,160
All Other Revenue	68,715	10,335	423	79,473
	<u>718,719</u>	<u>1,553,886</u>	<u>55,207</u>	<u>2,327,812</u>
Total Cash Receipts				
	<u>718,719</u>	<u>1,553,886</u>	<u>55,207</u>	<u>2,327,812</u>
Cash Disbursements:				
Salaries	387,604	603,360		990,964
Supplies	22,671	28,443		51,114
Equipment	26,184	11,746		37,930
Contract Services	17,843	259,581		277,424
Rentals	15,104	9,306		24,410
Travel and Expenses	33,329	45,910		79,239
PERS	48,658	77,313		125,971
Advertising and Printing	1,973	2,134		4,107
Remittance - State		62,754		62,754
Project Fund Expense		155,664	97,608	253,272
Worker's Compensation	9,977	16,968		26,945
Hospitalization	77,056	83,853		160,909
Other Expenses	44,152	52,509		96,661
Medicare	5,165	8,260		13,425
	<u>689,716</u>	<u>1,417,801</u>	<u>97,608</u>	<u>2,205,125</u>
Total Cash Disbursements				
	<u>689,716</u>	<u>1,417,801</u>	<u>97,608</u>	<u>2,205,125</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>29,003</u>	<u>136,085</u>	<u>(42,401)</u>	<u>122,687</u>
Other Financing Receipts/(Disbursements):				
Refunds	5,205			5,205
Advances-In		5,500	20,042	25,542
Advances-Out	(25,542)			(25,542)
Other Sources	2,000			2,000
	<u>(18,337)</u>	<u>5,500</u>	<u>20,042</u>	<u>7,205</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(18,337)</u>	<u>5,500</u>	<u>20,042</u>	<u>7,205</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>10,666</u>	<u>141,585</u>	<u>(22,359)</u>	<u>129,892</u>
Fund Cash Balances, January 1	<u>418,242</u>	<u>811,857</u>	<u>23,149</u>	<u>1,253,248</u>
Fund Cash Balances, December 31	<u>\$428,908</u>	<u>\$953,442</u>	<u>\$790</u>	<u>\$1,383,140</u>
Reserve for Encumbrances, December 31	<u>\$9,449</u>	<u>\$22,574</u>	<u>\$205</u>	<u>\$32,228</u>

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

**PIKE COUNTY GENERAL HEALTH DISTRICT
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Pike County General Health District, Pike 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 and a Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

Additionally, the District serves as the administrative and fiscal agent of the Pike County Family and Children First Council. The activities of the Family and Children First Council are reported as an Agency Fund within the Financial Statements.

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 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 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 Fund:

Public Health Nursing Fund - This fund receives fees for the performance of health services to the public.

**PIKE COUNTY GENERAL HEALTH DISTRICT
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Funds (Agency Funds)

These funds are used to account for funds for which the District is acting in an agency capacity. The District had the following significant Fiduciary Funds:

Wellness Block Grant Fund – This fund receives monies to be spent on preventing teenage pregnancies throughout the County. These funds are spent for videos, literature and make believe dolls for teenagers to take care of similar to an infant.

Welcome Home Grant Fund – This fund receives monies to be spent for one home visit to new born babies, once they are home.

Ohio Children’s Trust Implementation Grant Fund – This fund receives monies to be spent on the prevention of child abuse.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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 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.

**PIKE COUNTY GENERAL HEALTH DISTRICT
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the District's basis of accounting.

2. BUDGETARY ACTIVITY

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

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$623,470	\$1,018,216	\$394,746
Special Revenue	1,140,064	1,497,664	357,600
Total	\$1,763,534	\$2,515,880	\$752,346

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,004,106	\$952,969	\$51,137
Special Revenue	1,571,099	1,270,452	300,647
Total	\$2,575,205	\$2,223,421	\$351,784

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$550,888	\$725,924	\$175,036
Special Revenue	1,085,400	1,559,386	473,986
Total	\$1,636,288	\$2,285,310	\$649,022

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$789,454	\$724,707	\$64,747
Special Revenue	1,570,921	1,440,375	130,546
Total	\$2,360,375	\$2,165,082	\$195,293

**PIKE COUNTY GENERAL HEALTH DISTRICT
PIKE COUNTY**

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

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 in intergovernmental receipts in the financial statements.

The County Commissioners are serving as a special taxing authority to levy a special levy outside the ten-mill limitation to provide the District with sufficient funds to carry out health programs. The levy generated \$448,219 in 2002 and \$313,155 in 2001. These amounts are included as Property Taxes in the financial statements.

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

The Pike County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents and vehicle. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. The District is covered by these policies. The County also has a blanket policy which covers all employees of the District to cover loss related to torts, theft of, damage to, and destruction of assets, errors and omissions.

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**Auditor of State
Betty Montgomery**

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

Pike County General Health District
Pike County
229 Valleyview Drive
Waverly, Ohio 45690

To Members of the Board:

We have audited the accompanying financial statements of the Pike County General Health District, Pike County, Ohio (the District), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 26, 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated June 26, 2003

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 June 26, 2003.

Pike County General Health District
Pike County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management and the Board of Health, 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

June 26, 2003



**Auditor of State
Betty Montgomery**

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PIKE COUNTY GENERAL HEALTH DISTRICT

PIKE 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
SEPTEMBER 2, 2003**