



**Auditor of State  
Betty Montgomery**



**GENERAL HEALTH DISTRICT  
WYANDOT COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

General Health District  
Wyandot County  
127 A South Sandusky Avenue  
Upper Sandusky, Ohio 43351

To Members of the Board:

We have audited the accompanying financial statements of the General Health District, Wyandot County, Ohio, (the District) as of and for the year ended December 31, 2003. 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 of the General Health District, Wyandot County, Ohio, as of December 31, 2003, 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 March 12, 2004, 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.

General Health District  
Wyandot County  
Independent Accountants' Report  
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This report is intended solely for the information and use of the audit committee, management, the Board of Health, 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is fluid and cursive, with "Betty" on top and "Montgomery" below it.

**Betty Montgomery**  
Auditor of State

March 12, 2004

**GENERAL HEALTH DISTRICT  
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>General</u>	<u>Special Revenue</u>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Subdivisions	\$ 97,809	\$0	\$ 97,809
Taxes	236,606	0	236,606
State Subsidy	6,631	0	6,631
Fees, Licenses, and Permits	93,356	698,107	791,463
Federal Grants	0	276,233	276,233
Donations	13,810	11,443	25,253
Reimbursements	51,797	46,303	98,100
Other Receipts	<u>9,865</u>	<u>34,242</u>	<u>44,107</u>
Total Cash Receipts	<u>509,874</u>	<u>1,066,328</u>	<u>1,576,202</u>
<b>Cash Disbursements:</b>			
Salaries	265,771	426,190	691,961
Travel	15,058	33,988	49,046
Public Employee's Retirement	13,232	59,809	73,041
Worker's Compensation	3,138	4,304	7,442
Health	71,612	57,399	129,011
State Remittances	0	65,709	65,709
Contracted Services	0	47,706	47,706
Project Fund Expenses	0	287,583	287,583
Equipment and Supplies	52,637	20,483	73,120
Medicare	2,833	3,776	6,609
Other Disbursements	<u>29,228</u>	<u>52,684</u>	<u>81,912</u>
Total Cash Disbursements	<u>453,509</u>	<u>1,059,631</u>	<u>1,513,140</u>
Total Cash Receipts Over Cash Disbursements	<u>56,365</u>	<u>6,697</u>	<u>63,062</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	620	65,019	65,639
Transfers-Out	<u>(65,019)</u>	<u>(620)</u>	<u>(65,639)</u>
Total Other Financing Receipts/(Disbursements)	<u>(64,399)</u>	<u>64,399</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(8,034)	71,096	63,062
Fund Cash Balances, January 1, 2003	<u>49,781</u>	<u>429,501</u>	<u>479,282</u>
<b>Fund Cash Balances, December 31, 2003</b>	<b><u>\$41,747</u></b>	<b><u>\$500,597</u></b>	<b><u>\$542,344</u></b>

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

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**GENERAL HEALTH DISTRICT  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The General Health District, Wyandot 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. The District Advisory Council, made up of the president of the Board of County Commissioners, the Chief Executive of each municipal corporation not constituting a City Health District and chairman of the Board of Trustees of each Township, appoints District Board members. The District's services include: recording of vital statistics; inspection of food service facilities, water wells, and sewers; issuance of various licenses and permits; and public health nursing services. Also, the Women, Infants, and Children Program (WIC) (with its own director and eight-member board) is under the auspices of the Wyandot County General Health 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.

**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 restricted by law or contract.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

*Public Health Nursing Fund* - This fund receives money to provide public health nursing services, such as immunizations, home visits, and school nurses.

**GENERAL HEALTH DISTRICT  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

An appropriation measure is adopted by the District on or before the first Monday of April in each year for the period January 1 to December 31 of the following year. The appropriation measure is submitted to the County Auditor, who in turn, submits it to the County Budget Commission. The appropriation measure controls expenditures of the District. The District may, by resolution, transfer funds from one line item to another in the appropriation measure, reduce or increase any item, create new items, and make additional appropriations, subject to the availability of funds and to the approval of the County Budget Commission.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2003 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.

**2. BUDGETARY ACTIVITY**

Budgetary activity is as follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$533,853	\$510,494	(\$23,359)
Special Revenue	997,920	1,131,347	133,427
Total	<u>\$1,531,773</u>	<u>\$1,641,841</u>	<u>\$110,068</u>

**GENERAL HEALTH DISTRICT  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$582,292	\$518,528	\$63,764
Special Revenue	1,342,573	1,060,251	282,322
Total	<u>\$1,924,865</u>	<u>\$1,578,779</u>	<u>\$346,086</u>

**3. SUBDIVISION RECEIPTS**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities comprising 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 reported as Subdivisions receipts in the financial statements. Antrim, Crane, Crawford, Eden, Jackson, Marseilles, Mifflin, Pitt, Richland, Ridge, Salem, Sycamore, and Tymochtee Townships, the City of Upper Sandusky, and the Villages of Carey, Harpster, Kirby, Marseilles, Nevada, Sycamore, and Wharton comprise the District.

**4. 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 are 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 Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to 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.

**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. 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. The District's 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, 2003.

**GENERAL HEALTH DISTRICT  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**6. RISK POOL MEMBERSHIP**

The District belongs to the Public Entities Pool of Ohio ("PEP"), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsurance losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 (the latest information available):

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$20,174,977	\$19,358,458
Liabilities	(8,550,749)	(8,827,588)
Retained earnings	<u>\$11,624,228</u>	<u>\$10,530,870</u>

<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$2,565,408	1,890,323
Liabilities	(655,318)	(469,100)
Retained earnings	<u>\$1,910,090</u>	<u>\$1,421,223</u>

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

General Health District  
Wyandot County  
127 A South Sandusky Avenue  
Upper Sandusky, Ohio 43351

To Members of the Board:

We have audited the accompanying financial statements of the General Health District, Wyandot County, Ohio, (the District) as of and for the year ended December 31, 2003, and have issued our report thereon dated March 12, 2004. 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 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*.

#### 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.

General Health District  
Wyandot County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended solely for the information and use of the audit committee, management, and the Board of Health, and is not intended to be and should not be used by anyone other than these specified parties.

*Betty Montgomery*

**Betty Montgomery**  
Auditor of State

March 12, 2004



**Auditor of State  
Betty Montgomery**

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800-282-0370  
Facsimile 614-466-4490

**GENERAL HEALTH DISTRICT  
WYANDOT 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  
APRIL 13, 2004**