



**Auditor of State
Betty Montgomery**

**GENERAL HEALTH DISTRICT
COSHOCKTON COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

General Health District
Coshocton County
724 S. 7th Street
Coshocton, Ohio 43812

To the Board of Health:

We have audited the accompanying financial statements of the General Health District, Coshocton 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 General Health District 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 April 14, 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.

General Health District
Coshocton County
Independent Accountants' 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

April 14, 2003

**GENERAL HEALTH DISTRICT
COSHOCTON 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:			
Intergovernmental	\$195,229	\$367,088	\$562,317
Inspection fees	3,875	26,337	30,212
Permits	35,525	38,753	74,278
Other fees	6,399	3,000	9,399
Licenses	6,375	1,200	7,575
Contributions		37,890	37,890
Charges for Services	3,112	8,297	11,409
Other receipts		4,771	4,771
Total Cash Receipts	<u>250,515</u>	<u>487,336</u>	<u>737,851</u>
Cash Disbursements:			
Personal Services	101,176	353,978	455,154
Supplies	1,995	9,763	11,758
Remittances to State		70,453	70,453
Equipment	11,991	4,843	16,834
Contracts - Services	39,088	3,536	42,624
Travel	4,387	3,534	7,921
Public employee's retirement	12,506	47,441	59,947
Worker's compensation	423	1,509	1,932
Medicare	1,436	4,019	5,455
Other	38,505	53,517	92,022
Total Disbursements	<u>211,507</u>	<u>552,593</u>	<u>764,100</u>
Total Receipts Over/(Under) Disbursements	<u>39,008</u>	<u>(65,257)</u>	<u>(26,249)</u>
Other Financing Receipts:			
Other sources	<u>19,570</u>	<u>0</u>	<u>19,570</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>58,578</u>	<u>(65,257)</u>	<u>(6,679)</u>
Fund Cash Balances, January 1	<u>74,207</u>	<u>182,875</u>	<u>257,082</u>
Fund Cash Balances, December 31	<u>\$132,785</u>	<u>\$117,618</u>	<u>\$250,403</u>
Reserves for Encumbrances, December 31	<u>\$8,001</u>	<u>\$8,108</u>	<u>\$16,109</u>

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

**GENERAL HEALTH DISTRICT
COSHOCOTON 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:			
Intergovernmental	\$106,133	\$379,895	\$486,028
Inspection fees	3,705	5,793	9,498
Permits	31,150	39,542	70,692
Other fees	5,088	26,668	31,756
Licenses	3,625	66,200	69,825
Contributions		45,385	45,385
Charges for Services	6,178	11,812	17,990
Other receipts		5,559	5,559
Total Cash Receipts	<u>155,879</u>	<u>580,854</u>	<u>736,733</u>
Cash Disbursements:			
Personal Services	95,655	339,761	435,416
Supplies	1,763	11,733	13,496
Remittances to State		9,261	9,261
Equipment	1,499	7,789	9,288
Contracts - Repair		118	118
Contracts - Services	13,240	14,986	28,226
Travel	4,806	2,444	7,250
Public employee's retirement	11,738	39,331	51,069
Worker's compensation	1,180	4,559	5,739
Medicare	1,356	3,657	5,013
Other	56,161	60,318	116,479
Total Disbursements	<u>187,398</u>	<u>493,957</u>	<u>681,355</u>
Total Receipts Over/(Under) Disbursements	<u>(31,519)</u>	<u>86,897</u>	<u>55,378</u>
Other Financing Receipts:			
Other sources	<u>4,443</u>	<u>0</u>	<u>4,443</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(27,076)	86,897	59,821
Fund Cash Balances, January 1	<u>101,283</u>	<u>95,978</u>	<u>197,261</u>
Fund Cash Balances, December 31	<u>\$74,207</u>	<u>\$182,875</u>	<u>\$257,082</u>
Reserves for Encumbrances, December 31	<u>\$8,262</u>	<u>\$71,415</u>	<u>\$79,677</u>

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

**GENERAL HEALTH DISTRICT
COSHOCOTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The General Health District, Coshocoton 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 appointed by the District Advisory Council, which is composed of publicly elected officials from the governmental subdivisions within the District, an appointed Health Commissioner, and fiscal administrator. The District provides general governmental services, including health services relative to communicable disease investigations, immunization clinics, tuberculosis screening, home nursing visits and various licenses and permits, including inspections, birth and death certificates and related services.

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. 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 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 Funds:

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

**GENERAL HEALTH DISTRICT
COSHOCKTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Special Revenue Fund (Continued)

Solid Waste Fund - This fund is used to account for permits issued and grants from the Four County Solid Waste District.

D. Budgetary Process

The District is subject to budgetary provisions of Ohio Revised Code Section 3709.28, as well as Sections 5705.28(C)(1) and 5705.41 (D). Accordingly, an appropriation measure is adopted by the District on or before the first Monday in April of each year for the period January 1 to December 31 of the following year. The appropriation measure, together with the itemized estimate of the sources of revenue available to the District for the next fiscal year, is submitted to the County Auditor who in turn submits it to the County Budget Commission.

The appropriation measure controls expenditures by the District for the period January 1 to December 31 of the following year. Budgetary expenditures (that is, disbursements plus encumbrances) may not exceed appropriations at the fund and function level of control and appropriations may not exceed estimated resources. The District may, by resolution, transfer funds from one line item, create new line items, and make additional appropriations, subject to the availability of funds.

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 3.

E. 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.

F. 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. EQUITY IN POOLED CASH

The Coshockton County Auditor serves as fiscal agent for the District, and the Coshockton County Treasurer maintains a cash pool used by all County Funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 2002 and 2001 was \$250,403 and \$257,082, respectively, which was insured by the Federal Depository Insurance Corporation or collateralized by a collateral pool of securities maintained by the financial institution for all its public entity deposits.

**GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

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

3. BUDGETARY ACTIVITY

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

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$239,200	\$270,085	\$30,885
Special Revenue	582,505	487,336	(95,169)
Total	\$821,705	\$757,421	(\$64,284)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$251,945	\$219,508	\$32,437
Special Revenue	572,211	560,701	11,510
Total	\$824,156	\$780,209	\$43,947

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$146,205	\$160,322	\$14,117
Special Revenue	603,346	580,854	(22,492)
Total	\$749,551	\$741,176	(\$8,375)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$208,448	\$195,660	\$12,788
Special Revenue	583,774	565,372	18,402
Total	\$792,222	\$761,032	\$31,190

**GENERAL HEALTH DISTRICT
COSHOCKTON COUNTY**

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

4. 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 District has no specific tax levies.

5. RETIREMENT SYSTEM

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). 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 through December 31, 2002. The District has paid all contributions required through December 31, 2002.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Commercial inland marine
- Public Officials' liability

Risk Pool Membership

The Government 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 occurrence. 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-occurrence limit of \$2,000,000.

**GENERAL HEALTH DISTRICT
COSHOCKTON COUNTY**

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

6. RISK MANAGEMENT (Continued)

Property Coverage

PEP retains property risks, including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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>2001</u>	<u>2000</u>
Assets	19,358,458	\$17,112,129
Liabilities	<u>(8,827,588)</u>	<u>(7,715,035)</u>
Retained earnings	<u>\$10,530,870</u>	<u>\$9,397,094</u>

<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	1,890,323	\$1,575,614
Liabilities	<u>(469,100)</u>	<u>(281,561)</u>
Retained earnings	<u>\$1,421,223</u>	<u>\$1,294,053</u>

7. PENDING LITIGATION

The District is a defendant in a lawsuit. Although the outcome is not presently determinable, management believes that the resolution of this matter will not significantly affect the District's financial condition.

8. 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 experiences, management believes such refunds, if any, would not be material.

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**Auditor of State
Betty Montgomery**

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

General Health District
Coshocton County
724 S. 7th Street
Coshocton, Ohio 43812

To the Board of Health:

We have audited the accompanying financial statements of the General Health District, Coshocton County, Ohio (the District) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 14, 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*.

However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 14, 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.

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

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.

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 14, 2003

**GENERAL HEALTH DISTRICT
COSHOCKTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEARS ENDED DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2000-61016-001	Ohio Rev. Code Section 5705.41 (D), 23% of the expenditures tested were not properly certified.	Partially.	Only 8% were not properly certified. See management letter comment.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

COSHOCTON COUNTY GENERAL HEALTH DISTRICT

COSHOCTON 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
JUNE 19, 2003**