



**GENERAL HEALTH DISTRICT  
WAYNE COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**GENERAL HEALTH DISTRICT  
WAYNE COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

General Health District  
Wayne County  
203 South Walnut Street  
Wooster, Ohio 44691

To the Board of Trustees:

We have audited the accompanying financial statements of the General Health District, Wayne County, Ohio, (the District) as of and for the year ended December 31, 2000. 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 generally accepted auditing standards 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 District as of December 31, 2000, 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 May 7, 2001 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 Trustees 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.

**Jim Petro**  
Auditor of State

May 7, 2001

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**GENERAL HEALTH DISTRICT  
WAYNE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax Subsidy	\$448,820		\$448,820
Intergovernmental	69,440	\$256,379	325,819
Licenses, Permits, and Fees	339,149	448,430	787,579
Reimbursements	146,527	97,364	243,891
Other	15,385	258	15,643
	<u>1,019,321</u>	<u>802,431</u>	<u>1,821,752</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current			
Salaries and Fringe Benefits	691,938	638,216	1,330,154
Supplies	82,607	29,948	112,555
Contractual Services	26,637	21,971	48,608
Travel and Expenses	15,796	14,014	29,810
Workers Compensation	2,091	2,615	4,706
Telephone		548	548
Other	230,164	131,425	361,589
Capital Outlay		3,390	3,390
	<u>1,049,233</u>	<u>842,127</u>	<u>1,891,360</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts (Under) Cash Disbursements	<u>(29,912)</u>	<u>(39,696)</u>	<u>(69,608)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In	4,030	27,526	31,556
Advances-Out	<u>(27,526)</u>	<u>(4,030)</u>	<u>(31,556)</u>
	<u>(23,496)</u>	<u>23,496</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(53,408)	(16,200)	(69,608)
Fund Cash Balances, January 1	<u>271,842</u>	<u>210,663</u>	<u>482,505</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$218,434</b></u>	<u><b>\$194,463</b></u>	<u><b>\$412,897</b></u>
Reserves for Encumbrances, December 31	<u>\$50,896</u>	<u>\$19,230</u>	<u>\$70,126</u>

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

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**GENERAL HEALTH DISTRICT  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The General Health District, Wayne 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 nine member board appointed by the District Advisory Council, which is composed of publicly elected officials from the governmental subdivisions within the District, and an appointed health commissioner and an executive director. 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.

As health districts are structured in Ohio, the County Auditor and County Treasurer serve as fiscal officer and custodian of funds for the District, respectively. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments. As the custodian of public funds, the County Treasurer invests District monies held on deposit in the County Treasury.

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.

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 that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Food Service Fund - This fund is used to account for food service licenses issued.

Special Supplement Food Program for Women, Infants, and Children Fund - This fund receives Federal Grant monies to fund nutritional training and to provide information on dietary supplements.

**GENERAL HEALTH DISTRICT  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(Continued)**

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

**D. Budgetary Process**

Although the District is not subject to budgetary provisions of the Ohio Revised Code, 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 District includes transfers in and out when they prepare their budgets.

The County Budget Commission reviews the appropriation measure and may reduce any item in the appropriation measure, but may not increase any item or the aggregate amount of all the items in the appropriation measure.

The appropriation measure, as amended by the County Budget Commission, 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 item, create new items, and make additional appropriations, subject to the availability of funds and to the approval of the County Budget Commission.

**Encumbrances**

The District reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated.

Encumbrances are purchase orders, contracts, and other commitments for the expenditure of monies that are recorded as the equivalent of expenditures on the budgetary basis to reserve that portion of the applicable appropriation and to determine and maintain compliance with the District policy.

A summary of 2000 budgetary activity appears in Note 3.

**E. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**F. Unpaid Vacation and Sick Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the District.

**GENERAL HEALTH DISTRICT  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(Continued)**

**2. EQUITY IN POOLED CASH**

The Wayne County Auditor serves as fiscal agent for the District, and the Wayne 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, 2000, was \$412,897, 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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2000 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,023,351	\$1,023,351	\$0
Special Revenue	829,957	829,957	0
Total	\$1,853,308	\$1,853,308	\$0

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,366,550	\$1,127,655	\$238,895
Special Revenue	1,199,270	865,387	333,883
Total	\$2,565,820	\$1,993,042	\$572,778

**4. PROPERTY TAX SUBSIDY**

The Wayne County Budget Commission determines and allocates a Health Subsidy to the District from the participating subdivisions based upon the expenditures and carryover balance of the District. The District has no specific tax levies.

The County distributes this allocation to the District semiannually.

**5. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Rev. Code. For 2000, members contributed 8.5% of their gross salaries. The District contributed an amount equal to 10.84% of participants' gross salaries. PERS contributions are processed by the Wayne County Auditor. The District has paid all contributions required through December 31, 2000.

**GENERAL HEALTH DISTRICT  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(Continued)**

**6. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Comprehensive property
- Vehicles (through the Wayne County Commissioners)
- Commercial inland marine
- Public officials' liability

The District is also a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk up to the limits of the District's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability
- Employee benefits liability

The real property and contents are 80% coinsured with a \$1,000 deductible. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**7. 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.

**8. PENDING LITIGATION**

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



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

General Health District  
Wayne County  
203 South Walnut Street  
Wooster, Ohio 44691

To the Board of Trustees:

We have audited the accompanying financial statements of the General Health District, Wayne County, Ohio, (the District) as of and for the year ended December 31, 2000, and have issued our report thereon dated May 7, 2001. We conducted our audit in accordance with generally accepted auditing standards 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. 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 May 7, 2001.

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

**Jim Petro**  
Auditor of State

May 7, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**GENERAL HEALTH DISTRICT**

**WAYNE 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 26, 2001**