



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WYANDOT COUNTY GENERAL HEALTH DISTRICT
WYANDOT COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Wyandot County 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 Wyandot County General Health District, (the District) as of and for the year ended 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 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 of the District as of December 31, 2001, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

As described in Note 7, effective in 2001, the District reclassified assets from the expendable trust fund classification to the special revenue fund classification.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2002, 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 the audit committee, management, the Board 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

May 28, 2002

**WYANDOT COUNTY 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, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Subdivisions	\$ 122,809	\$0	\$ 122,809
Taxes	217,496	-	217,496
State Subsidy	8,642	96,416	105,058
Fees, Licenses, and Permits	92,722	627,410	720,132
Federal Grants	-	84,761	84,761
Donations	15,438	10,163	25,601
Reimbursements	46,531	30,416	76,947
Other Receipts	<u>12,626</u>	<u>7,051</u>	<u>19,677</u>
 Total Cash Receipts	 <u>516,264</u>	 <u>856,217</u>	 <u>1,372,481</u>
Cash Disbursements:			
Salaries	240,109	402,381	642,490
Travel and Expenses	16,411	31,231	47,642
Public Employee's Retirement	35,170	56,399	91,569
Worker's Compensation	1,229	1,987	3,216
Health	55,083	36,360	91,443
Unemployment	1,110	-	1,110
State Remittance	-	64,295	64,295
Contracted Services	-	25,031	25,031
Project Fund Expenses	-	185,773	185,773
Equipment and Supplies	49,978	19,205	69,183
Medicare	3,126	4,287	7,413
Other Disbursements	<u>21,343</u>	<u>36,524</u>	<u>57,867</u>
 Total Cash Disbursements	 <u>423,559</u>	 <u>863,473</u>	 <u>1,287,032</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	 <u>92,705</u>	 <u>(7,256)</u>	 <u>85,449</u>
Other Financing Sources/(Uses):			
Transfers-In	-	79,198	79,198
Advances-In	24,051	24,051	48,102
Transfers-Out	(79,198)	-	(79,198)
Advances-Out	<u>(24,051)</u>	<u>(24,051)</u>	<u>(48,102)</u>
 Total Other Financing Sources/(Uses)	 <u>(79,198)</u>	 <u>79,198</u>	 <u>-</u>
 Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements and Other Financing Uses	 13,507	 71,942	 85,449
 Fund Cash Balances, January 1, 2001	 <u>93,368</u>	 <u>202,458</u>	 <u>295,826</u>
 Fund Cash Balances, December 31, 2001	 <u>\$ 106,875</u>	 <u>\$ 274,400</u>	 <u>\$ 381,275</u>

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

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**WYANDOT COUNTY GENERAL HEALTH DISTRICT
WYANDOT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Wyandot County General Health District, (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.

**WYANDOT COUNTY GENERAL HEALTH DISTRICT
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 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 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.

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 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 District uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 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. 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.

**WYANDOT COUNTY GENERAL HEALTH DISTRICT
WYANDOT COUNTY**

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

2. BUDGETARY ACTIVITY

Budgetary activity is as follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$505,793	\$516,264	\$10,471
Special Revenue	<u>893,087</u>	<u>935,415</u>	<u>42,328</u>
Total	<u>\$1,398,880</u>	<u>\$1,451,679</u>	<u>\$52,799</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$599,161	\$502,757	\$96,404
Special Revenue	<u>1,146,051</u>	<u>863,473</u>	<u>282,578</u>
Total	<u>\$1,745,212</u>	<u>\$1,366,230</u>	<u>\$378,982</u>

3. SUBDIVISIONS 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 Tymochee 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 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 payment, 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.

**WYANDOT COUNTY GENERAL HEALTH DISTRICT
WYANDOT COUNTY**

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

5. 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. 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, 2001.

6. RISK MANAGEMENT

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 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.

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.

**WYANDOT COUNTY GENERAL HEALTH DISTRICT
WYANDOT COUNTY**

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

6. RISK MANAGEMENT (Continued)

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:

<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>

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

7. FUND RECLASSIFICATION

Fund reclassification is required for the District's Home Health Trust Fund to properly reflect its intended purpose. The Home Health Trust Fund was previously included in the expendable trust fund type. This fund should be reported as part of the special revenue fund type. The effect of this fund reclassification on beginning fund cash balances reported as of January 1, 2001 is as follows:

	Special Revenue Funds	Expendable Trust Funds
Fund cash balances as previously reported	\$198,477	\$3,981
Fund reclassification	<u>3,981</u>	<u>(3,981)</u>
Restated fund cash balances at January 1, 2001	<u><u>\$202,458</u></u>	<u><u>\$0</u></u>

**WYANDOT COUNTY GENERAL HEALTH DISTRICT
WYANDOT COUNTY**

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

7. FUND RECLASSIFICATION (Continued)

The reclassification had the following effect on the excess of cash receipts and other financing sources over cash disbursements and other financing uses as previously reported for the fiscal year ended December 31, 2000:

	Special Revenue Funds	Expendable Trust Funds
Excess as previously reported	\$81,902	\$1,838
Fund reclassification	1,838	(1,838)
Restated amount for the year ended December 31, 2000	\$83,740	\$0



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

Wyandot County 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 Wyandot County General Health District, (the District) as of and for the year ended December 31, 2001, wherein we noted that the District reclassified certain assets to the special revenue fund type, and have issued our report thereon dated May 28, 2002. 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*.

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.

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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

May 28, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WYANDOT COUNTY 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
JULY 16, 2002**