

***WYANDOT COUNTY GENERAL HEALTH DISTRICT***

**WYANDOT COUNTY, OHIO**

**AUDIT REPORT**

**For the Year Ended December 31, 2004**

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Governmental Consultants**





**Auditor of State  
Betty Montgomery**

Wyandot County General Health District  
127 South Sandusky Ave.  
Upper Sandusky, OH 43351

We have reviewed the *Report of Independent Accountants* of the Wyandot County General Health District, Wyandot County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2004 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Wyandot County General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

October 5, 2005

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**WYANDOT COUNTY GENERAL HEALTH DISTRICT**  
**WYANDOT COUNTY, OHIO**  
**Audit Report**  
**For the year ended December 31, 2004**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

To the Board of the Wyandot County General Health District  
Upper Sandusky, Ohio

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, 2004. 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 has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004, the revision require presenting entity wide statements and also to present larger (i.e. major) funds separately for 2004. While the District does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since the District does not use GAAP to measure its financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with the accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Wyandot County General Health District, Wyandot County, Ohio, as of December 31, 2004 and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2004. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2005, 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 grant agreements and other matters. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

***Charles E. Harris & Associates, Inc.***  
August 18, 2005

**WYANDOT COUNTY GENERAL HEALTH DISTRICT  
WYANDOT COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2004**

	<u>Governmental Fund Types</u>		<u>(Memorandum Only) Total</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Subdivisions	\$ 79,908	\$ -	\$ 79,908
Taxes	242,858	-	242,858
Fees, Licenses, and Permits	67,708	724,149	791,857
Federal Grant	6,629	270,979	277,608
Donations	11,111	-	11,111
Reimbursements	75,389	-	75,389
Other Receipts	24,568	53,961	78,529
<b>Total Cash Receipts</b>	<b>508,171</b>	<b>1,049,089</b>	<b>1,557,260</b>
<b>Cash Disbursements:</b>			
Salaries	275,679	446,334	722,013
Travel	15,902	5,235	21,137
Public Employee's Retirement	37,529	57,279	94,808
Worker's Compensation	4,061	6,646	10,707
Health	87,641	81,714	169,355
State Remittances	13,847	65,960	79,807
Contract Services	-	87,399	87,399
Project Fund Expenses	13,429	270,356	283,785
Equipment and Supplies	47,447	18,919	66,366
Medicare	3,885	18,266	22,151
Other Distribution	18,093	55,651	73,744
<b>Total Cash Disbursements</b>	<b>517,513</b>	<b>1,113,759</b>	<b>1,631,272</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(9,342)</b>	<b>(64,670)</b>	<b>(74,012)</b>
<b>Other Financing Sources/(Uses):</b>			
Transfers-In	20,000	27,000	47,000
Transfers-Out	(27,000)	(20,000)	(47,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>(7,000)</b>	<b>7,000</b>	<b>-</b>
<b>Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements and Other Financing Uses</b>	<b>(16,342)</b>	<b>(57,670)</b>	<b>(74,012)</b>
<b>Fund Balance, January 1, 2004</b>	<b>41,747</b>	<b>500,597</b>	<b>542,344</b>
<b>Fund Balance, December 31, 2004</b>	<b>\$ 25,405</b>	<b>\$ 442,927</b>	<b>\$ 468,332</b>

See accompanying Notes to the Financial Statements.



**WYANDOT COUNTY GENERAL HEALTH DISTRICT  
WYANDOT COUNTY, OHIO**

**Notes To The Financial Statements  
For The Year Ended December 31, 2004**

**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 vital statistics; inspection of food service facilities, water wells, and sewers; issuance of licenses and permits; and public 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 General Health District.

The District's management believes these financial statements present all activities for which the Health 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 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 carrying amount.

**D. FUND ACCOUNTING**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The Health District classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

WYANDOT COUNTY GENERAL HEALTH DISTRICT  
WYANDOT COUNTY, OHIO

Notes To The Financial Statements  
For The Year Ended December 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. FUND ACCOUNTING - (continued)

2. Special Revenue Funds

To account for the proceeds of specific revenue sources that are restricted to expenditures 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 line item to another in the appropriation measure, reduce or increase any item, create new items, and make additional appropriations, subject to 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 unencumbered balances 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 cancelled and reappropriated in the subsequent year.

A summary of 2004 budgetary activity appears in Note 2.

**WYANDOT COUNTY GENERAL HEALTH DISTRICT  
WYANDOT COUNTY, OHIO**

**Notes To The Financial Statements  
For The Year Ended December 31, 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**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.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2004 is as follows:

<u>Fund Type</u>	<u>2004 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 542,994	\$ 528,171	\$ (14,823)
Special Revenue	1,414,619	1,076,089	(338,530)
<b>Total</b>	<b>\$ 1,957,613</b>	<b>\$ 1,604,260</b>	<b>\$ (353,353)</b>

<u>Fund Type</u>	<u>2004 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 560,207	\$ 544,513	\$ 15,694
Special Revenue	1,425,497	1,133,759	291,738
<b>Total</b>	<b>\$ 1,985,704</b>	<b>\$ 1,678,272</b>	<b>\$ 307,432</b>

**3. SUBDIVISION RECEIPTS**

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 reported as subdivision 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.

**WYANDOT COUNTY GENERAL HEALTH DISTRICT  
WYANDOT COUNTY, OHIO**

**Notes To The Financial Statements  
For The Year Ended December 31, 2004**

**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 adjust 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 reflected in 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 SYSTEMS**

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost sharing, multiple-employer plans. This plan provide 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 2004, OPERS members contributed 8.5% of their wages. The District contributed an amount equal to 13.55% of participants' gross salaries in the year. The District has paid all contributions required through December 31, 2004.

**5. 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 Insurance**

PEP retains casualty risk up to \$250,000 per claim, including automobile loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from 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.

WYANDOT COUNTY GENERAL HEALTH DISTRICT  
WYANDOT COUNTY, OHIO

Notes To The Financial Statements  
For The Year Ended December 31, 2004

5. RISK MANAGEMENT - (continued)

Property Insurance

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pay losses and loss adjustment expenses exceeding 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 statement (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2004 and 2003 (the latest information available):

<u>Casualty Insurance</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,547,049	\$25,288,098
Liabilities	(16,989,918)	(12,872,985)
Retained Earnings	<u>\$13,557,131</u>	<u>\$12,415,113</u>
<u>Property Insurance</u>	<u>2004</u>	<u>2003</u>
Assets	\$3,652,970	\$3,158,813
Liabilities	(544,771)	(792,061)
Retained Earnings	<u>\$3,108,199</u>	<u>\$2,366,752</u>

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

6. CONTINGENT LIABILITIES

The District may be a defendant in various lawsuits. Although, the outcome of the lawsuits is not presently determinable, in the opinion of legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Wyandot County General Health District  
Upper Sandusky, Ohio

We have audited the financial statements of the Wyandot County General Health District as and for the year ended December 31, 2004, and have issued our report thereon dated August 18, 2005, wherein we noted that the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

**Internal Controls 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 an opinion 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 caused by error or fraud 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 August 18, 2005.

**Compliance and Other Matters**

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 grant agreements, 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 in a separate letter dated August 18, 2005.

This report is intended solely for the information and use of management and District Board and is not intended to be and should not be used by anyone other than these specified parties.

*Charles E. Harris & Associates, Inc.*  
August 18, 2005

**STATUS OF PRIOR YEAR CITATIONS AND RECOMMENDATIONS**

**The prior audit report, for the year ending December 31, 2003, did not include any material citations or recommendations.**







**Auditor of State  
Betty Montgomery**

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**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  
OCTOBER 20, 2005**