



Mary Taylor, CPA
Auditor of State

**GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

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Mary Taylor, CPA
Auditor of State

General Health District
Van Wert County
140 Fox Road, Suite 402
Van Wert, Ohio 45891

To the Members of the Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 9, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

General Health District
Van Wert County
140 Fox Road, Suite 402
Van Wert, Ohio 45891

To the Members of the Board:

We have audited the accompanying financial statements of the General Health District, Van Wert County, (the District), as of and for the years ended December 31, 2006 and 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully 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 (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Governments to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. 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 for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2006 and December 31, 2005, 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 and reserves for encumbrances of the General Health District, Van Wert County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 9, 2007, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 9, 2007

**GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$322,500	\$139,255	\$461,755
Fees	42,290	146,148	188,438
Licenses		900	900
Permits	25,647	15,459	41,106
Other receipts	415	1,376	1,791
Total Cash Receipts	<u>390,852</u>	<u>303,138</u>	<u>693,990</u>
Cash Disbursements:			
Salaries	151,522	93,412	244,934
Fringe Benefits	112,729		112,729
Supplies	6,381	51,795	58,176
Remittances to State	23,823	12,346	36,169
Equipment	306	1,152	1,458
Contracts - Repair	175		175
Rentals	34,818		34,818
Travel	3,554	15,012	18,566
Advertising and printing	632		632
Project Fund Expense		108,286	108,286
Other	11,584	1,692	13,276
Total Disbursements	<u>345,524</u>	<u>283,695</u>	<u>629,219</u>
Total Receipts Over/(Under) Disbursements	<u>45,328</u>	<u>19,443</u>	<u>64,771</u>
Other Financing Receipts/(Disbursements):			
Reimbursements	<u>1,170</u>		<u>1,170</u>
Total Other Financing Receipts	<u>1,170</u>		<u>1,170</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	46,498	19,443	65,941
Fund Cash Balances, January 1	<u>70,399</u>	<u>64,240</u>	<u>134,639</u>
Fund Cash Balances, December 31	<u>\$116,897</u>	<u>\$83,683</u>	<u>\$200,580</u>
Reserves for Encumbrances, December 31	<u>\$5,690</u>	<u>\$4,493</u>	<u>\$10,183</u>

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

**VAN WERT COUNTY GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$317,907	\$119,501	\$437,408
Fees	39,409	153,527	192,936
Licenses		900	900
Permits	11,502	12,084	23,586
Other receipts	1,501	1,936	3,437
Total Cash Receipts	<u>370,319</u>	<u>287,948</u>	<u>658,267</u>
Cash Disbursements:			
Salaries	141,933	103,724	245,657
Fringe Benefits	95,177		95,177
Supplies	6,338	42,088	48,426
Remittances to State	20,664	12,044	32,708
Equipment	360		360
Contracts - Repair	191		191
Rentals	31,919		31,919
Travel	2,879	14,395	17,274
Advertising and printing	600		600
Project Fund Expense		125,035	125,035
Other	15,049	3,253	18,302
Total Disbursements	<u>315,110</u>	<u>300,539</u>	<u>615,649</u>
Total Receipts (Under) Disbursements	<u>55,209</u>	<u>(12,591)</u>	<u>42,618</u>
Other Financing Receipts:			
Reimbursements	750		750
Total Other Financing Receipts	<u>750</u>		<u>750</u>
Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	<u>55,959</u>	<u>(12,591)</u>	<u>43,368</u>
Fund Cash Balances, January 1	<u>14,440</u>	<u>76,831</u>	<u>91,271</u>
Fund Cash Balances, December 31	<u>\$70,399</u>	<u>\$64,240</u>	<u>\$134,639</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$786</u>	<u>\$786</u>

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

**VAN WERT GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the General Health District, Van Wert County, (the District), as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

The District's management believes these financial statements present all activities for which the District is financially accountable. The District maintains direct fiscal control over the revenues of the general and special revenue funds of the District held by the Van Wert County Treasurer with the Van Wert County Auditor serving as fiscal officer.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 adequately disclose material matters the Auditor of State's accounting basis requires.

C. Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The County's cash and investment pool holds the District's assets, valued at the County Treasurer's reported carrying amount.

D. 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 accounts for all financial resources except those restricted by law or contract.

2. Special Revenue Funds

These funds 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:

Public Health Nursing Services (PHNF) Fund - This fund receives fees for nursing services and immunizations.

Bioterrorism Federal Fund - This fund receives Federal grant money to provide emergency and safety equipment for the county.

**VAN WERT GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Food Service Fund - This fund receives fees for inspections of food service facilities in the County.

E. Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over, and need not be reappropriated.

A summary of 2006 and 2005 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$377,765	\$392,022	\$14,257
Special Revenue	269,022	303,138	34,116
Total	<u>\$646,787</u>	<u>\$695,160</u>	<u>\$48,373</u>

**VAN WERT GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$393,158	\$351,214	\$41,944
Special Revenue	311,253	288,188	23,065
Total	\$704,411	\$639,402	\$65,009

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$362,500	\$371,069	\$8,569
Special Revenue	262,878	287,948	25,070
Total	\$625,378	\$659,017	\$33,639

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$372,167	\$315,110	\$57,057
Special Revenue	329,316	301,325	27,991
Total	\$701,483	\$616,435	\$85,048

3. 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. The financial statements present these amounts as intergovernmental receipts.

4. 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. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9.0 percent and 8.5 percent, respectively, of their gross salaries. The District contributed an amount equal to 13.70 and 13.55 percent, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2006.

**VAN WERT GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property, general liability, professional and public officials;
- Errors, omissions, and malpractice.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

General Health District
Van Wert County
140 Fox Road, Suite 402
Van Wert, Ohio 45891

To the Members of the Board:

We have audited the financial statements of the General Health District, Van Wert County, (the District), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated August 9, 2007, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance or other matter that we reported to the District's management in a separate letter date August 9, 2007.

We intend this report solely for the information and use of the audit committee, management, and Board of Health. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 9, 2007



Mary Taylor, CPA
Auditor of State

GENERAL HEALTH DISTRICT

VAN WERT 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
SEPTEMBER 6, 2007**