



Dave Yost • Auditor of State

**GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

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Dave Yost • Auditor of State

General Health District
Van Wert County
1179 Westwood Drive, Suite 300
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 an 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 adverse 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 10, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

General Health District
Van Wert County
1179 Westwood Drive, Suite 300
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, 2010 and 2009. 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 Districts 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, 2010 and 2009 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, 2010 and 2009, or its changes in financial position for the years 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, 2010 and 2009, 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 June 10, 2011, 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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 10, 2011

**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, 2010**

	<u>All Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$334,982	\$23,256	\$358,238
Permits	1,075	15,063	16,138
Fees	46,534	181,509	228,043
Licenses		39,951	39,951
Contractual Services		238,003	238,003
Miscellaneous	650	3,154	3,804
Total Cash Receipts	<u>383,241</u>	<u>500,936</u>	<u>884,177</u>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	126,460	182,037	308,497
Fringe Benefits	195,374		195,374
Supplies	8,031	55,306	63,337
Equipment	11,830		11,830
Remittances to State		11,386	11,386
Contracts - Repair	1,095		1,095
Contracts - Services	31,356	315	31,671
Travel	3,882	14,048	17,930
Rentals	32,522		32,522
Advertising and Printing	1,669		1,669
Car Seats			
Other		3,615	3,615
Federal Project Fund Expenses		249,715	249,715
Total Cash Disbursements	<u>412,219</u>	<u>516,422</u>	<u>928,641</u>
Total Receipts Over/(Under) Disbursements	<u>(28,978)</u>	<u>(15,486)</u>	<u>(44,464)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	7,674		7,674
Transfers-Out		(7,674)	(7,674)
Reimbursements	622		622
Total Other Financing Receipts/(Disbursements)	<u>8,296</u>	<u>(7,674)</u>	<u>622</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(20,682)	(23,160)	(43,842)
Fund Cash Balances, January 1	<u>85,989</u>	<u>195,893</u>	<u>281,882</u>
Fund Cash Balances, December 31	<u>\$65,307</u>	<u>\$172,733</u>	<u>\$238,040</u>
Reserves for Encumbrances, December 31	<u>\$5,122</u>	<u>\$3,829</u>	<u>\$8,951</u>

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

**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, 2009**

	<u>All Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$337,911	\$31,676	\$369,587
Permits	624	9,400	10,024
Fees	43,073	174,282	217,355
Licenses		38,384	38,384
Contractual Services		160,279	160,279
Miscellaneous	20	10,303	10,323
Total Cash Receipts	<u>381,628</u>	<u>424,324</u>	<u>805,952</u>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	183,640	90,280	273,920
Fringe Benefits	157,288		157,288
Supplies	7,672	38,733	46,405
Remittances to State		10,076	10,076
Equipment	294		294
Contracts - Repair	1,559		1,559
Contracts - Services	9,498	10,449	19,947
Travel	4,421	8,193	12,614
Rentals	34,818		34,818
Advertising and Printing	954		954
Other	0	7,259	7,259
Federal Project Fund Expenses	0	156,125	156,125
Total Cash Disbursements	<u>400,144</u>	<u>321,115</u>	<u>721,259</u>
Total Receipts Over/(Under) Disbursements	<u>(18,516)</u>	<u>103,209</u>	<u>84,693</u>
Fund Cash Balances, January 1	<u>104,505</u>	<u>92,684</u>	<u>197,189</u>
Fund Cash Balances, December 31	<u><u>\$85,989</u></u>	<u><u>\$195,893</u></u>	<u><u>\$281,882</u></u>
Reserves for Encumbrances, December 31	<u><u>\$7,845</u></u>	<u><u>\$4,856</u></u>	<u><u>\$12,701</u></u>

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

**GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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. Accounting Basis

These financial statements follow the accounting basis 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 include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

As required by the Ohio Revised Code, the Van Wert County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the 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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources 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.

Public Health Emergency Response Fund - This fund receives Federal grant money to provide emergency and safety equipment for the county.

**GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2010 and 2009 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 ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$391,494	\$391,537	\$ 43
Special Revenue	432,067	500,936	68,869
Total	\$823,561	\$892,473	\$68,912

**GENERAL HEALTH DISTRICT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$424,337	\$417,341	\$ 6,996
Special Revenue	565,709	527,925	37,784
Total	<u>\$990,046</u>	<u>\$945,266</u>	<u>\$44,780</u>

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$381,201	\$381,628	\$ 427
Special Revenue	349,384	424,324	74,940
Total	<u>\$730,585</u>	<u>\$805,952</u>	<u>\$75,367</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$476,840	\$407,989	\$68,851
Special Revenue	396,739	325,971	70,768
Total	<u>\$873,579</u>	<u>\$733,960</u>	<u>\$139,619</u>

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 SYSTEMS

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10 percent, for both years, of their gross salaries and the District contributed an amount equaling 14 percent, for both years, of participants' gross salaries. The District has paid all contributions required through December 31, 2010.

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

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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
1179 Westwood Drive, Suite 300
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, 2010 and 2009, and have issued our report thereon dated June 10, 2011, wherein we noted the District followed accounting practice 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 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

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 matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 10, 2011.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 10, 2011



Dave Yost • Auditor of State

VAN WERT 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
JULY 12, 2011



Dave Yost • Auditor of State

VAN WERT 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
JULY 12, 2011