

WYANDOT COUNTY, OHIO

Basic Financial Statements – Cash Basis

December 31, 2005

with

Independent Auditors' Report



Mary Taylor, CPA
Auditor of State

Board of Commissioners
Wyandot County
109 South Sandusky Avenue
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditors' Report* of Wyandot County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2005 through December 31, 2005. 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.

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. Wyandot County is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 6, 2008

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WYANDOT COUNTY, OHIO

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS
www.cshco.com

Independent Auditors' Report

Wyandot County, Ohio
Board of County Commissioners
109 South Sandusky Avenue
Upper Sandusky, Ohio 43351

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Wyandot County, Ohio (the County) as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, 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 opinions.

The financial statements of Angeline Industries, Inc. have not been audited, and we were not engaged to audit the financial statements of Angeline Industries as part of our audit of the County's basic financial statements. Angeline Industries' financial activities are included in the County's basic financial statements as a discretely presented component unit. Angeline Industries is the County's only discretely presented component unit.

Ohio Administrative Code Section 117-02-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities, fund equities, and certain disclosures that, while material, we cannot determine at this time.

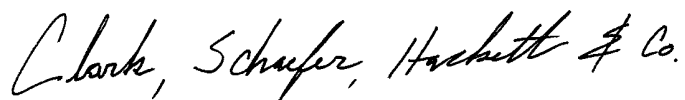
Because the financial statements of Angeline Industries, the County's only discretely presented component unit, have not been audited, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the discretely presented component unit of the County, as of and for the year ended December 31, 2005.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Wyandot County, Ohio, as of December 31, 2005, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2007, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison schedules for the General, Motor Vehicle and Gasoline Tax, Angeline MRDD, and Jobs and Family Services Funds are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, and is not a required part of the County's basic financial statements. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Springfield, Ohio
November 30, 2007

WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

The discussion and analysis of Wyandot County's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2005, within the limitations of the County's cash basis of accounting. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2005 are as follows:

- Total net cash assets increased \$611,596 during 2005; Governmental Activities increased by \$502,191 and Business-Type Activities increased by \$109,405.
- Total cash receipts for 2005 were \$22.3 million which was \$2.9 million or 14.7 percent higher than those received in 2004. Total cash disbursements totaled \$21.7 million or \$2.7 million (14.2 percent) higher as compared with the previous year.
- Total Governmental Activities cash receipts for 2005 were \$18.2 million with \$12.7 million being classified as program cash receipts and the remaining \$5.5 million reported as general cash receipts. Total program cash disbursements were \$17.7 million for the same period.
- Total Business-Type Activities program cash receipts for 2005 were \$4.1 million with program cash disbursements totaling just under \$4.0 million.

Using this Basic Financial Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

The Statement of Net Assets-cash basis and Statement of Activities-cash basis provide information about the activities of the County as a whole, presenting an aggregate view of the County's cash basis finances. The fund financial statements present the County's most significant funds (major funds) separate from the less significant funds (non-major funds) for both governmental and proprietary funds. Non-major funds are presented in one total column. In the case of Wyandot County, the major governmental funds are the General Fund, the Motor Vehicle and Gasoline Tax Fund, the Job and Family Services Fund, and the Angeline MR/DD Fund. The Nursing Home Fund is the County's only enterprise fund as well as being classified as a major fund.

Reporting the County as a Whole

The County's Reporting Entity Presentation

This annual report includes all activities for which Wyandot County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and one component unit. The primary government consists of Wyandot County and the component unit presentation includes Angeline Industries.

WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

Statement of Net Assets and Statement of Activities

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include only net assets using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid. These two statements report the County's net assets and changes in those assets. This change in net assets is important because it tells the reader whether, for the County as a whole, the cash basis financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Assets and the Statement of Activities, the County is divided into three distinct kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, conservation and recreation, capital outlay, and debt service.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the cash disbursements of the goods or services provided. The County's nursing home is reported as a business activity.

Component Unit Activities – Although Angeline Industries is a separate legal entity, the County includes its activities due to the level of support provided to Angeline by the County as well as Angeline's sole purpose is to provide assistance to the handicapped individuals within the County.

Reporting the County's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's most significant funds that have been presented as major governmental funds are the General Fund, the Motor Vehicle and Gasoline Tax Fund, the Job and Family Services Fund, the Angeline MR/DD Fund, and the Nursing Home Fund.

WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

Governmental Funds

Most of the County's activities are reported in governmental funds, which are essentially the same functions reported as governmental activities in the government-wide financial statements. The fund financial statements focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various County programs. A reconciliation of the governmental fund statements to the government-wide financial statements is presented to show the elimination of the activity of the internal service fund in the government-wide statement.

Proprietary Funds

The County uses proprietary funds to account for activities in which the user fees charged to customers is intended to cover the cost of operating the activity. The County reports two proprietary funds; the County Home Fund is an enterprise fund and the Health Fund is an internal service fund.

Fiduciary Funds

The financial activity of custodial funds, for which the County acts as the fiscal agent, is reported separately. This financial activity is excluded from the County's other financial statements because the County cannot use these resources to finance its operations. The County is responsible for ensuring the assets reported in these funds are used for their intended purposes. The County has numerous agency funds used to account for undivided tax receipts, the Wyandot County Board of Health, the Soil and Water Conservation District, the Family and Children First Council and the Law Library.

The County as a Whole

Recall that the Statement of Net Assets provides the perspective of the County as a whole. Table 1 provides a summary of the County's Net Assets for 2005 compared to the prior year:

**TABLE 1
NET CASH ASSETS**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<i>Assets</i>						
Cash and Cash Equivalents	\$ 14,034,097	\$ 13,531,906	\$ 315,610	\$ 206,205	\$ 14,349,707	\$ 13,738,111
<i>Total Assets</i>	<u>14,034,097</u>	<u>13,531,906</u>	<u>315,610</u>	<u>206,205</u>	<u>14,349,707</u>	<u>13,738,111</u>
<i>Net Cash Assets</i>						
Restricted	11,839,813	11,477,849	-	-	11,839,813	11,477,849
Unrestricted	2,194,284	2,054,057	315,610	206,205	2,509,894	2,260,262
<i>Total Net Assets</i>	<u>\$ 14,034,097</u>	<u>\$ 13,531,906</u>	<u>\$ 315,610</u>	<u>\$ 206,205</u>	<u>\$ 14,349,707</u>	<u>\$ 13,738,111</u>

WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

Total cash assets increased by \$611,596; \$502,191 in governmental activities and \$109,405 in business-type activities. Restricted net cash assets of the County increased by \$361,964 as compared with the restricted amounts reported at December 31, 2005.

Table 2 shows the changes in Net Assets for 2005 compared with those reported for 2004. This statement provides information on why the net cash assets reported in Table 1 changed during the year.

**TABLE 2
CHANGES IN NET CASH ASSETS**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Cash Receipts:						
<i>Program Cash Receipts</i>						
Charges for Services/ Sales	\$ 4,044,938	\$ 2,819,715	\$ 4,062,820	\$ 3,274,557	\$ 8,107,758	\$ 6,094,272
Operating Grants/Contributions	6,560,053	7,748,364	-	-	6,560,053	7,748,364
Capital Grants/Contributions	2,157,598	57,624	-	-	2,157,598	57,624
Total Program Cash Receipts	12,762,589	10,625,703	4,062,820	3,274,557	16,825,409	13,900,260
<i>General Cash Receipts</i>						
Property Taxes	2,320,031	2,178,434	-	-	2,320,031	2,178,434
Sales Taxes	1,811,474	1,865,187	-	-	1,811,474	1,865,187
Grants and Entitlements	576,741	563,742	-	-	576,741	563,742
Interest	406,069	284,995	-	-	406,069	284,995
Miscellaneous	364,763	673,696	19,003	944	383,766	674,640
Total General Cash Receipts	5,479,078	5,566,054	19,003	944	5,498,081	5,566,998
Total Cash Receipts	18,241,667	16,191,757	4,081,823	3,275,501	22,323,490	19,467,258
Cash Disbursements						
<i>Program Cash Disbursements</i>						
General Government:						
Legislative and Executive	2,233,151	2,022,297	-	-	2,233,151	2,022,297
Judicial	861,930	823,174	-	-	861,930	823,174
Public Safety	2,120,811	2,078,225	-	-	2,120,811	2,078,225
Public Works	3,173,108	2,409,643	-	-	3,173,108	2,409,643
Health	2,130,724	1,795,546	-	-	2,130,724	1,795,546
Human Services	3,350,053	3,515,467	-	-	3,350,053	3,515,467
Conservation and Recreation	1,140,069	840,664	-	-	1,140,069	840,664
Other	206,234	475,913	-	-	206,234	475,913
Capital Outlay	2,292,356	731,177	-	-	2,292,356	731,177
Debt Service	231,040	231,946	-	-	231,040	231,946
Nursing Home	-	-	3,972,418	4,088,739	3,972,418	4,088,739
Total Cash Disbursements	17,739,476	14,924,052	3,972,418	4,088,739	21,711,894	19,012,791
Increase in Net Cash Assets	502,191	1,267,705	109,405	(813,238)	611,596	454,467
Beginning Net Cash Assets	13,531,906	12,264,201	206,205	1,019,443	13,738,111	13,283,644
Ending Net Cash Assets	\$ 14,034,097	\$ 13,531,906	\$ 315,610	\$ 206,205	\$ 14,349,707	\$ 13,738,111

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall monies generated by a voted levy do not increase solely as a result of inflation. Thus, County's dependence upon property taxes is hampered by a lack of tax growth and must return to the voters to maintain a constant level of service. Property taxes and sales taxes made up 12.7 percent and 9.9 percent, respectively, of the total cash receipts for governmental activities received in 2005. While the general cash receipts reported for governmental activities decreased slightly from those received in 2004, program cash receipts increased by \$2.1 million due in large part to the \$1.6 million of

WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

federal grant monies received through the Ohio Department of Transportation to perform needed roadway improvement in the County. The \$788,263 increase in program cash receipts reported in the business-type activities for 2005 is due to the timing in which insurance reimbursements are received as well as increased rates and facility utilization.

Major roadway construction projects conducted throughout 2005 increased the cash disbursements reported for both the public works and the capital outlay functional areas. Other functional categories increased due to the County receiving additional funding for these areas in 2005, primarily health and conservation and recreation. Cash disbursements reported for the governmental activities in 2005 increased by \$2.8 million compared with those reported for the prior year. The \$1.6 in capital outlay funded by the federal highway grant previously mentioned accounts for the majority of this increase. Wage increases as well as the ever increasing cost of providing medical benefits to County employees also were factors increasing disbursements during 2005. Total disbursements for the County as a whole increased 14.2 percent over those reported for 2004 while receipts increased 14.7 percent.

The County's Funds

All governmental funds had total cash receipts of \$18.1 million and cash disbursements of \$18.2 million for 2005. Three of the four major governmental funds reported decreases in cash fund balance for the year. The General Fund reported a decrease in cash fund balance of \$115,997 for the year resulting in an ending fund balance of \$779,134. The ending cash fund balance represents 14.7 percent of the total disbursements reported in the General Fund for the year. The Motor Vehicle License and Gas Tax Fund increased by \$597,756 during the year due to conservative spending practices as well as the County receiving grant monies to cover some of the needed roadway work performed during the year. The Angeline MRDD Fund reported a \$1.6 million ending cash fund balance for the year, virtually the same as the prior year. In total the governmental funds ended the year with a \$13.6 million ending cash balance which was \$86,047 more than the ending cash fund balance reported at December 31, 2004.

As the County's only enterprise fund is the Nursing Home Fund, the changes in the fund financial are the same as those described for the business-type activities.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. For the General Fund, actual receipts totaled \$5,041,154 which was \$314,408 more than the final budget estimates. Total actual disbursements totaled \$5,296,105 the budget basis (cash outlays plus encumbrances) compared with original budget estimates of \$5,590,535 and final budget estimates of \$5,315,464.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County reported capital outlay disbursements totaling \$2.3 million for 2005.

WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

Debt Administration

Under the cash basis of accounting the County does not report bonds, long-term notes, or short-term notes in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about outstanding obligations of the County. At December 31, 2005, the County had \$2,115,726 in bonds and OWPC loans.

The table below summarizes bonds and OPWC Loans outstanding for at December 31st for the prior two years.

	<u>2005</u>	<u>2004</u>
General Obligation Bonds:		
2003 - Various Purpose	\$ 2,110,000	\$ 2,250,000
OWPC Loans:		
Bridge Replacement	5,726	8,590
County Highway 4	<u>-</u>	<u>10,000</u>
Principal Outstanding	<u>\$ 2,115,726</u>	<u>\$ 2,268,590</u>

During fiscal year 2005, the County issued no new debt.

Current Financial Related Activities

As the preceding information shows, the County heavily depends on its property taxpayers as well as intergovernmental monies. Since the property tax receipts do not grow at the same level as inflation, the County will be faced with significant challenges over the next several years to contain costs and ultimately determine what options are available to the County to increase financial resources.

All of the County's financial abilities will be needed to meet the challenges of the future.

Contacting the County's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the County's cash basis finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information contact Jeffrey A. McClain, County Auditor at Wyandot County, 109 S. Sandusky – Room 21, Upper Sandusky, Ohio 43351. Or email at jamcclain@co.wyandot.oh.us.

WYANDOT COUNTY, OHIO

*Statement of Net Assets - Cash Basis
December 31, 2005*

	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Angeline Industries
Cash Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 14,034,097	\$ 315,610	\$ 14,349,707	\$ 88,481
<i>Total Assets</i>	<u>\$ 14,034,097</u>	<u>\$ 315,610</u>	<u>\$ 14,349,707</u>	<u>\$ 88,481</u>
Net Cash Assets				
Restricted for:				
Capital Projects	\$ 847,213	\$ -	\$ 847,213	\$ -
Human Services	47,856	-	47,856	-
Mental Retardation	2,740,299	-	2,740,299	-
Road and Bridge	6,285,203	-	6,285,203	-
Other Purposes	1,919,242	-	1,919,242	-
Unrestricted	<u>2,194,284</u>	<u>315,610</u>	<u>2,509,894</u>	<u>88,481</u>
<i>Total Net Cash Assets</i>	<u>\$ 14,034,097</u>	<u>\$ 315,610</u>	<u>\$ 14,349,707</u>	<u>\$ 88,481</u>

See accompanying notes to the basic financial statements.

WYANDOT COUNTY, OHIO

Statement of Activities - Cash Basis
For the Year Ended December 31, 2005

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets			Component Unit
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government:								
<i>Governmental Activities</i>								
General Government	\$ 2,233,151	\$ 880,498	\$ 500	\$ -	\$ (1,352,153)	\$ -	\$ (1,352,153)	
Legislative and Executive	861,930	237,074	83,415	-	(541,441)	-	(541,441)	
Judicial	2,120,811	642,407	149,609	-	(1,328,795)	-	(1,328,795)	
Public Safety	3,173,108	2,768	3,404,021	-	233,681	-	233,681	
Public Works	2,130,724	220,618	838,669	-	(1,071,437)	-	(1,071,437)	
Health	3,350,053	1,060,718	1,998,266	-	(291,069)	-	(291,069)	
Human Services	1,140,069	797,149	85,573	-	(257,347)	-	(257,347)	
Conservation and Recreation	206,234	-	-	-	(206,234)	-	(206,234)	
Other	2,292,356	203,706	-	2,157,598	68,948	-	68,948	
Capital Outlay	231,040	-	-	-	(231,040)	-	(231,040)	
Debt Service								
Total Governmental Activities	17,739,476	4,044,938	6,560,053	2,157,598	(4,976,887)	90,402	(4,976,887)	
<i>Business Type Activities</i>								
Nursing Home	3,972,418	4,062,820	-	-	90,402	90,402	90,402	
Total Business Type Activities	3,972,418	4,062,820	-	-	90,402	90,402	(4,886,485)	
Total Primary Government	\$ 21,711,894	\$ 8,107,758	\$ 6,560,053	\$ 2,157,598	(4,976,887)	90,402	(4,886,485)	
Component Unit:								
Angeline Industries	\$ 330,375	\$ 366,241	\$ 10,682	\$ -				46,548
General Cash Receipts								
Property Taxes Levied for:								
General Purposes					1,276,114		1,276,114	-
Mental Retardation					1,043,917		1,043,917	-
State Tax Levied for General Purposes					1,811,474		1,811,474	-
Grants and Entitlements not Restricted to Specific Programs					576,741		576,741	-
Interest					406,069		406,069	511
Miscellaneous					364,763	19,003	383,766	-
Total General Receipts					5,479,078	19,003	5,498,081	511
Change in Net Cash Assets					502,191	109,405	611,596	47,059
<i>Net Cash Assets Beginning of Year</i>					13,531,906	206,205	13,738,111	41,422
<i>Net Cash Assets End of Year</i>					\$ 14,034,097	\$ 315,610	\$ 14,349,707	\$ 88,481

See accompanying notes to the basic financial statements.

WYANDOT COUNTY, OHIO

*Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2005*

	<u>General</u>	<u>Motor Vehicle and Gasoline Tax Fund</u>	<u>Angeline MR/DD Fund</u>	<u>Jobs and Family Services Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 779,134	\$ 6,285,203	\$ 1,622,768	\$ 47,856	\$ 4,833,270	\$ 13,568,231
<i>Total Assets</i>	<u>\$ 779,134</u>	<u>\$ 6,285,203</u>	<u>\$ 1,622,768</u>	<u>\$ 47,856</u>	<u>\$ 4,833,270</u>	<u>\$ 13,568,231</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$ 6,637	\$ 21,398	\$ 24,059	\$ -	\$ 14,423	\$ 66,517
Unreserved:						
Undesignated, Reported in:						
General Fund	772,497	-	-	-	-	772,497
Special Revenue Funds	-	6,263,805	1,598,709	47,856	3,799,879	11,710,249
Debt Service Fund	-	-	-	-	175,351	175,351
Capital Projects Funds	-	-	-	-	843,617	843,617
<i>Total Fund Balances</i>	<u>\$ 779,134</u>	<u>\$ 6,285,203</u>	<u>\$ 1,622,768</u>	<u>\$ 47,856</u>	<u>\$ 4,833,270</u>	<u>13,568,231</u>

Reconciliation to Statement of Net Assets - Cash Basis:

Amounts reported for governmental activities in the statement of net assets - cash basis are different because:

Governmental activities in the statement of net assets - cash basis include the cash assets of the internal service fund. In the fund statements these cash assets are reported in proprietary fund statements.

	<u>465,866</u>
Net Cash Assets of Governemtnal Activities	<u>\$ 14,034,097</u>

See accompanying notes to the basic financial statements.

WYANDOT COUNTY, OHIO

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005*

	General	Motor Vehicle and Gasoline Tax Fund	Angeline MR/DD Fund	Jobs and Family Services Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Taxes	\$ 3,087,588	\$ -	\$ 1,043,917	\$ -	\$ -	\$ 4,131,505
Intergovernmental	559,141	4,851,253	532,157	1,251,059	2,068,895	9,262,505
Interest	215,014	191,055	-	-	-	406,069
Licenses and Permits	1,461	-	-	-	50,810	52,271
Fines and Forfeitures	125,472	-	-	-	447,565	573,037
Charges for Services	960,733	-	-	608,283	1,760,915	3,329,931
Special Assessments	67,691	-	-	-	-	67,691
Other	24,054	35,306	31,787	-	229,395	320,542
<i>Total Receipts</i>	<u>5,041,154</u>	<u>5,077,614</u>	<u>1,607,861</u>	<u>1,859,342</u>	<u>4,557,580</u>	<u>18,143,551</u>
Disbursements						
General Government:						
Legislative and Executive	1,739,812	-	-	-	562,677	2,302,489
Judicial	865,452	-	-	-	50,967	916,419
Public Safety	1,777,333	-	-	-	440,756	2,218,089
Public Works	161,492	2,929,084	-	-	180,268	3,270,844
Health	114,167	-	1,614,766	-	406,940	2,135,873
Human Services	341,826	-	-	1,968,434	1,110,004	3,420,264
Conservation and Recreation	-	-	-	-	1,162,012	1,162,012
Other	206,234	-	-	-	-	206,234
Capital Outlay	83,152	1,550,774	-	-	658,430	2,292,356
Debt Service:						
Principal Retirement	-	-	-	-	151,909	151,909
Interest and Fiscal Charges	-	-	-	-	79,131	79,131
<i>Total Disbursements</i>	<u>5,289,468</u>	<u>4,479,858</u>	<u>1,614,766</u>	<u>1,968,434</u>	<u>4,803,094</u>	<u>18,155,620</u>
<i>Excess (Deficiency) of Receipts over Disbursements</i>	<u>(248,314)</u>	<u>597,756</u>	<u>(6,905)</u>	<u>(109,092)</u>	<u>(245,514)</u>	<u>(12,069)</u>
Other Financing Sources (Uses)						
Other Sources	337,872	-	-	-	1,945	339,817
Other Uses	(239,220)	-	-	-	(2,481)	(241,701)
Transfers In	63,647	-	1,074	21,507	952,867	1,039,095
Transfers Out	(29,982)	-	(538)	(12,000)	(996,575)	(1,039,095)
<i>Total Other Financing Sources (Uses)</i>	<u>132,317</u>	<u>-</u>	<u>536</u>	<u>9,507</u>	<u>(44,244)</u>	<u>98,116</u>
<i>Net Change in Fund Balances</i>	<u>(115,997)</u>	<u>597,756</u>	<u>(6,369)</u>	<u>(99,585)</u>	<u>(289,758)</u>	<u>86,047</u>
<i>Fund Balances Beginning of Year</i>	<u>895,131</u>	<u>5,687,447</u>	<u>1,629,137</u>	<u>147,441</u>	<u>5,123,028</u>	
<i>Fund Balances End of Year</i>	<u>\$ 779,134</u>	<u>\$ 6,285,203</u>	<u>\$ 1,622,768</u>	<u>\$ 47,856</u>	<u>\$ 4,833,270</u>	

Reconciliation to Statement of Activities - Cash Basis:

Amounts reported for governmental activities in the statement of activities - cash basis are different because:

The internal service fund charge insurance costs to other funds. In the statement of activities, the expenditure by the governmental funds are eliminated as well as the corresponding internal service fund receipts. Governmental activities report allocated net internal service fund receipts (disbursements)

	416,144
Change in Net Cash Assets of Governmental Activities	<u>\$ 502,191</u>

See accompanying notes to the basic financial statements.

WYANDOT COUNTY, OHIO

*Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2005*

	<u>Business-Type Activities</u>	<u>Governmental Activity</u>
	Nursing Home Fund	Internal Service Fund
Cash Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 315,610	\$ 465,866
<i>Total Assets</i>	<u>\$ 315,610</u>	<u>\$ 465,866</u>
Net Cash Assets		
Unrestricted	<u>\$ 315,610</u>	<u>\$ 465,866</u>

See accompanying notes to the basic financial statements.

WYANDOT COUNTY, OHIO

*Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2005*

	Business-Type Activities <u>Nursing Home Fund</u>	Governmental Activity <u>Internal Service Fund</u>
Operating Receipts		
Charges for Services	\$ 4,062,820	\$ -
Interfund Charges	-	2,577,318
Other Operating Receipts	<u>19,003</u>	<u>-</u>
<i>Total Operating Receipts</i>	<u>4,081,823</u>	<u>2,577,318</u>
Operating Disbursements		
Salaries and Benefits	2,876,219	-
Purchased Services	665,126	-
Materials and Supplies	414,307	-
Medical Insurance	-	2,168,254
Capital Outlay	<u>16,766</u>	<u>-</u>
<i>Total Operating Disbursements</i>	<u>3,972,418</u>	<u>2,168,254</u>
<i>Operating Income (Loss)</i>	109,405	409,064
Non-Operating Receipts		
Interest	<u>-</u>	<u>7,080</u>
<i>Change in Net Assets</i>	109,405	416,144
<i>Net Cash Assets Beginning of Year</i>	<u>206,205</u>	<u>49,722</u>
<i>Net Cash Assets End of Year</i>	<u>\$ 315,610</u>	<u>\$ 465,866</u>

See accompanying notes to the basic financial statements.

WYANDOT COUNTY, OHIO

*Statement of Fiduciary Net Assets - Cash Basis
As of December 31, 2005*

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,100,153</u>
<i>Total Assets</i>	<u><u>\$ 2,100,153</u></u>
Net Cash Assets	<u><u>\$ 2,100,153</u></u>

See accompanying notes to the basic financial statements.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

NOTE 1 – DESCRIPTION OF THE ENTITY AND REPORTING ENTITY

Wyandot County, Ohio (the County) 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 County is governed by a board of three Commissioners elected by the voters of the County. The County Auditor is responsible for the fiscal controls over the resources of the County that are maintained in the funds described below. The County Treasurer is the custodian of funds and the investment officer. Other officials elected by the voters of the County that manage various segments of the County's operations are the Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, and a Common Pleas Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serving as the budget and taxing authority, contracting body and chief administrator of public services for the County, including each of these departments.

Reporting Entity

The County's reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, effective for financial statements for periods beginning after December 15, 1992. The financial statements and notes include all funds, agencies, boards, commissions, and component units for which Wyandot County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County. Responsibility was evaluated on the basis of financial dependence and the manifestations of oversight exercised by the Commissioners. Among the factors considered were budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County, obligation of the County to finance any deficits that may occur, reliance of the organization on continuing subsidies from the County, selection of governing authority, and designation of management.

Based on the foregoing criteria, the financial activities of the following entities should be reflected in the accompanying financial statements and notes:

Component Unit

Angeline Industries, Inc.

Angeline Industries, Inc. (the Workshop) is a legally separate, not-for-profit corporation, governed by a self-appointing board of trustees. The Workshop, under a contractual agreement with the Wyandot County Board of Mental Retardation and Developmental Disabilities (MRDD), provides sheltered employment for mentally retarded or handicapped adults in the County. The MRDD provides the Workshop with some expenses and personnel for operation of the Workshop including staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, various financial reporting services, and other funds as necessary for the operation of the Workshop. The Workshop is considered a component unit of the

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

County, based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to the retarded and handicapped adults of the County.

The Workshop is presented as a discretely presented component unit and the financial information included in the statement of net assets and statement of activities is for the fiscal year ended June 30, 2005. The Workshop does not issue separately audited financial statements.

Potential Component Units Reported as Agency Funds

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards and commissioners listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activity of the following entities is presented as agency funds within the financial statements:

County General Health District
Soil and Water Conservation District
Family and Children First Council
Law Library

The County is associated with certain organizations which are defined as a Jointly Governed Organization, a Shared Risk Pool, and an Insurance Purchasing Pool, as follows:

Jointly Governed Organization

Mental Health and Recovery Services

The Mental Health and Recovery Services (MHRS) is a joint venture between Seneca, Sandusky, and Wyandot counties. The headquarters for the MHRS Board is in Seneca County. The Board provides community services to mentally ill and emotionally disturbed persons. Statutorily created, the MHRS Board is made of 18 members, 10 of the members are appointed by the county commissioners of each respective county, 4 are appointed by the State Department of Mental Health, and 4 are appointed by the State of Ohio Department of Alcohol and Drug Addiction Services. Revenues to provide mental health services are generated through state and federal grants. The Mental Health Board adopts its own budget, hires and fires staff and does not rely on the County to finance deficits.

Financial information can be obtained from the Seneca County Auditor, Seneca County Courthouse, Tiffin, Ohio 44883.

Shared Risk Pool

County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc. is a jointly governed organization among fifty counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates.

Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

Insurance Purchasing Pool

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although required by Ohio Administrative Code Section 117-2-3(B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America, the County, and its discretely presented component unit, chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. Under this 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.

By using the cash basis of accounting, the County does not report certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) these financial statements. Therefore, when reviewing the

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

A. Fund Accounting

The County uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County classifies each fund as either governmental, proprietary or fiduciary.

Governmental Funds

The County classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following are the County's major governmental funds:

General Fund – The General Fund is the operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle and Gasoline Tax Fund – This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

Jobs and Family Services Fund – This fund accounts for various federal and state grants used to provide public assistance to general relief recipients, pay their providers of medical assistance and certain public social services.

Angeline MR/DD Fund – This fund accounts for the operation of a school for the mentally retarded and developmentally disabled. Revenue sources include a County-wide property tax levy and federal and state grants.

The other governmental funds of the County account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

Certain County funds operate similar to business enterprises, where user charges (i.e. charges for services) provide significant resources for the activity. The County classifies these as enterprise funds.

Nursing Home Fund – This fund accounts for the operations to provide care and treatment of elderly and disabled county residents at the Skilled Nursing and Rehabilitation Center.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

Internal Service Fund – This fund is used to accumulate and allocate costs of health insurance internally among the County's other programs and activities

Fiduciary Funds

Fiduciary funds account for cash and investments where the County is acting as trustee or fiscal agent for other entities or individuals. The County's only fiduciary funds are agency funds. Agency funds are custodial in nature, where the County deposits and pays cash as directed by another entity, individual, or statute. The agency funds of the County included funds established to account for undivided tax receipts, the Board of Health, the Soil and Water Conservation District, the Family and Children First Council and the Law Library. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

B. Basis of Presentation

The County has implemented the provisions of GASB 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America and GASB 38, for certain financial statement note disclosures. The County's basic financial statements consist of government-wide statements, including a statement of net cash assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net cash assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets-cash basis presents the cash basis financial condition of governmental activities of the County at year-end. The statement of activities-cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the County's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the County. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each business segment or governmental function is self-financing or draws from the general cash receipts of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of fund financial statements is on major funds rather than reporting funds by type.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

D. Capital Assets and Depreciation

Capital assets acquired or constructed for the County are recorded as disbursements at the time of acquisition. However, under the cash basis of accounting, capital assets and the related depreciation are not reported separately on the financial statements.

E. Unpaid Vacation and Sick Leave

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

F. Long-term Obligations

These modified-cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt principal payments.

G. Net Assets

The statements report restricted net assets when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The County first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

H. Cash and Investments

The County maintains a cash and investment pool which is available for all funds. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. During fiscal year 2005, investments were limited to certificates of deposits and STAR Ohio. All investments of the County had a maturity of five years or less. Investments are stated at cost. Investment earnings are allocated as authorized by State statute.

I. Interfund Activity

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses; proprietary funds report transfers after nonoperating receipts and disbursements. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

J. Fund Balance Reserves

The County reserves those portions of fund equity which are legally segregated for a specific future use or are not available for appropriation or expenditure. Fund equity reserves have been established for encumbrances.

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Primary Government

Statutes require the classification of monies held by the County into two categories. The first category consists of active deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County has identified as not required for current demands on the treasury. Inactive deposits may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio;

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

Cash on Hand

At year-end, the County had \$2,000 in undeposited cash on hand, included as part of "Equity in pooled cash and cash equivalents."

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institution with pledged securities. As of December 31, 2005, \$16,655,158 of the County's bank balance of \$17,355,492 was not covered by depository insurance. Of the uninsured amount, \$9,779,431 was collateralized by specific pledged securities or lines of credit by the financial institution to the County. The remaining \$6,875,727 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

Investments

At December 31, 2005 the County's only investment was \$5,174 deposited in STAR Ohio investment pool. STAR Ohio has average investment maturities of less than one year and the investment pool is rated AAA by Standard and Poors.

B. Component Unit

At December 31, 2005 the deposits of Angeline Industries was not exposed to custodial credit risk as the entire bank balance was covered by federal deposit insurance.

NOTE 4 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Property tax revenue received during 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) is for 2004 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes collected in and intended to finance 2006.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county tax payers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The full tax rate of for all County operations for the year ended December 31, 2005 was \$6.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property:	
Residential/Agricultural	\$ 278,443,850
Commercial/Industrial	49,276,470
Public Utilities	412,680
Tangible Personal Property:	
General	66,903,118
Public Utilities	<u>15,245,970</u>
Total Assessed Valuation	<u>\$ 410,282,088</u>

The Wyandot County Treasurer collects property taxes on behalf of all taxing districts within the County. The Wyandot County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collection of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

NOTE 5 – RISK MANAGEMENT

The County is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The County Risk Sharing Authority, Inc. (CORSA) is a risk sharing pool made up of fifty-two counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage provided include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time.

Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligation to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates.

The audited financial statements for CORSA reported the following at April 30: total assets of \$70.4 million, liabilities of \$39.2 million and net assets of \$31.2 million.

Insurance coverage stayed the same as in the prior year. Settled claims did not exceed the coverage amounts established in any of the past three years.

The County also participates in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool. The Plan is intended to achieve lower worker's compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

NOTE 6 – PENSION PLANS

A. Ohio Public Employees Retirement System

The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member -directed plan members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings. The combined-plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report, obtainable by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 800-222-7377.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2005, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the Traditional Plan.

The 2005 member contribution rates were 8.5 percent for members in state and local classifications. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs and township police, contributed at a rate of 10.1 percent. Public safety division members contributed at 9.0 percent.

The 2005 employer contribution rate for local government employer units was 13.55 percent of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2005 was 16.7 percent. The County's required contribution for pension obligations to OPERS for all employees for the years ended December 31, 2005, 2004 and 2003 were \$1,360,922, \$1,079,903, and \$1,143,135, respectively; 100 percent has been contributed for each year.

B. State Teachers Retirement System

Certified teachers employed by the school for the Mentally Retarded/Developmentally Disabled (MRDD) participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a financial report, obtainable by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090, or by visiting the STRS Ohio web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the benefit payment at a reduced level from the regular DB Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

For the year ended December 31, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations for the DB Plan for the years ended December 31, 2005, 2004, and 2003 were \$24,424, \$25,837, and \$25,311 respectively; 100 percent has been contributed for all years.

NOTE 7 – POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll, and public safety and law enforcement employer units contributed at 16.7 percent. The portion of employer contributions for all employer allocated to health care was 4.0 percent.

The Ohio Revised Code provides the statutory authority requiring employers to fund postretirement health care through their contributions to OPERS.

Summary of Assumptions:

Actuarial Review – The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2004.

Funding Method – An entry age normal actuarial cost method of valuation is used in determining the present value OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Asset Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

Investment Return – the investment assumption rate for 2004 was 8.0 percent.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

Active Employee Total Payroll – An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.5 percent to 6.3 percent.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.0 percent to 6.0 percent for the next eight years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

OPEBs are advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 376,109 active contributing participants as of December 31, 2005. The number of active contributing participants for both plans used in the December 31, 2004 actuarial valuation was 355,287.

The employer contributions that were used to fund postemployment benefits were \$570,020 for 2005. The amount of \$10.8 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2004. The actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on the actuarial cost method used were \$29.5 billion and \$18.7 billion, respectively, at December 31, 2004.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004 with an effective January 1, 2007. In addition to HCPP, OPERS took additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contributions rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. State Teachers Retirement System

The County also provides comprehensive health care benefits to retired employees and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio). Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare B premiums. Pursuant to the Ohio Revised Code (ORC), the State Teachers Retirement Board (Board) has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. This system is on a pay-as-you-go basis.

The ORC grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio law, health care benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. Through June 30, 2005 the Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Stabilization Fund. For the County, the amount equaled \$1,745 for the year ended December 31, 2005. The balance in the Health Care Stabilization Fund was \$3.3 billion on June 30, 2005.

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

For the fiscal year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254.8 million and there were 115,395 eligible benefit recipients.

NOTE 8 – DEBT OBLIGATIONS

The County's outstanding debt at December 31, 2005, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds:		
2003 - Various Purpose	\$ 2,110,000	2.0 to 4.4%
OWPC Loans:		
Bridge Replacement	<u>5,726</u>	0.00%
Principal Outstanding	<u>\$ 2,115,726</u>	

General obligation bonds were issued for the Various Purpose Bonds. This debt is to be repaid through transfers from the general fund and rental income.

The OPWC loans represents money owed to the Ohio Public Works Commission, at zero interest rates for improvements made to replace a bridge within the County. The OPWC loan is paid from the Motor Vehicle and Gasoline Tax Fund and matures on January 1, 2009. The County paid this loan off early by remitting the remaining principal balance of \$3,818 in June 2007.

The following is a summary of the County's future debt payments:

<u>Year</u>	<u>G.O. Bonds</u>		<u>OPWC Loans</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2006	\$ 140,000	\$ 75,873	\$ 1,909
2007	145,000	73,002	1,909
2008	150,000	69,523	1,908
2009	85,000	65,473	-
2010	90,000	62,922	-
2011-2015	495,000	265,863	-
2016-2020	590,000	163,560	-
2021-2023	<u>415,000</u>	<u>36,770</u>	-
	<u>\$ 2,110,000</u>	<u>\$ 812,986</u>	<u>\$ 5,726</u>

WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 9 – PERMISSIVE SALES AND USE TAX

The County Commissioners by resolution imposed a one percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner’s certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. Proceeds of the tax rate are credited entirely to the General fund. Permissive Sales Tax revenue for 2005 amounted to \$1,811,474.

NOTE 10 – CONTINGENT LIABILITIES

The County receives financial assistance from federal and state agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through December 31, 2005 will not have a material adverse effect on the County.

Several claims and lawsuits involving the County are pending. In the opinion of the County Prosecutor, any potential liability would not have a material effect on the County’s financial statements.

NOTE 11 – INTERFUND TRANSACTIONS:

The County reported the following transfers for the year ended December 31, 2005:

<u>Fund</u>	<u>Transfers-In</u>	<u>Transfers-Out</u>
<i>Governmental Funds:</i>		
General Fund	\$ 63,647	\$ 29,982
Angeline MRDD Fund	1,074	538
Jobs and Family Services Fund	21,507	12,000
Non-major Governmental Funds	<u>952,867</u>	<u>996,575</u>
Total	<u>\$ 1,039,095</u>	<u>\$ 1,039,095</u>

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt.

WYANDOT COUNTY, OHIO

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005**

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE:

For 2005, the County has implemented the requirements of GASB Statement No. 40, “Deposit and Investment Risk Disclosures” which changed the required disclosures regarding risk associated with deposits and investments in the notes to the financial statements. The implementation of this statement had no effect on the amounts within the basic financial statements. These additional disclosures are included in Note 3 to the basic financial statements.

WYANDOT COUNTY, OHIO

*Schedule of Cash Receipts, Cash Disbursements,
and Changes in Fund Cash Balance (Budgetary Basis)
General Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Cash Receipts:				
Taxes	\$ 2,895,021	\$ 2,895,021	\$ 3,087,588	\$ 192,567
Intergovernmental	524,268	524,268	559,141	34,873
Interest	201,604	201,604	215,014	13,410
Licenses and Permits	1,370	1,370	1,461	91
Fines and Forfeitures	117,647	117,647	125,472	7,825
Charges for Services	900,814	900,814	960,733	59,919
Special Assessments	63,469	63,469	67,691	4,222
Other	22,554	22,554	24,054	1,500
Total Receipts	4,726,746	4,726,746	5,041,154	314,408
Cash Disbursements				
General Government:				
Legislative and Executive	1,843,541	1,752,833	1,746,449	6,384
Judicial	913,566	868,616	865,452	3,164
Public Safety	1,876,141	1,783,830	1,777,333	6,497
Public Works	170,470	162,082	161,492	590
Health	120,514	114,584	114,167	417
Human Services	360,829	343,075	341,826	1,249
Other	217,699	206,988	206,234	754
Capital Outlay	87,775	83,456	83,152	304
Total Disbursements	5,590,535	5,315,464	5,296,105	19,359
Excess of Receipts Over(Under) Disbursements	(863,789)	(588,718)	(254,951)	333,767
Other Financing Sources (Uses):				
Other Sources	285,254	285,254	337,872	52,618
Other Uses	(240,000)	(240,000)	(239,220)	780
Transfers In	-	-	63,647	63,647
Transfers Out	-	-	(29,982)	(29,982)
Total Other Financing Sources (Uses)	45,254	45,254	132,317	87,063
Net Change in Fund Balance	(818,535)	(543,464)	(122,634)	420,830
Fund Balance at Beginning of Year	818,346	818,346	818,346	-
Prior Year Encumbrances Appropriated	76,785	76,785	76,785	-
Fund Balance at End of Year	\$ 76,596	\$ 351,667	\$ 772,497	\$ 420,830

See accompanying notes to the required supplementary information.

WYANDOT COUNTY, OHIO

*Schedule of Cash Receipts, Cash Disbursements,
and Changes in Fund Cash Balance (Budgetary Basis)
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Cash Receipts:				
Intergovernmental	\$ 3,200,000	\$ 3,200,000	\$ 4,851,253	\$ 1,651,253
Interest	-	-	191,055	191,055
Other	-	-	35,306	35,306
Total Receipts	3,200,000	3,200,000	5,077,614	1,877,614
Cash Disbursements				
Current:				
Public Works	4,141,494	4,191,633	2,950,482	1,241,151
Capital Outlay	-	-	1,550,774	(1,550,774)
Total Disbursements	4,141,494	4,191,633	4,501,256	(309,623)
 Net Change in Fund Balance	 (941,494)	 (991,633)	 576,358	 1,567,991
Fund Balance at Beginning of Year	5,299,978	5,299,978	5,299,978	-
Prior Year Encumbrances Appropriated	387,469	387,469	387,469	-
 Fund Balance at End of Year	 <u>\$ 4,745,953</u>	 <u>\$ 4,695,814</u>	 <u>\$ 6,263,805</u>	 <u>\$ 1,567,991</u>

See accompanying notes to the required supplementary information.

WYANDOT COUNTY, OHIO

*Schedule of Cash Receipts, Cash Disbursements,
and Changes in Fund Cash Balance (Budgetary Basis)
Angeline MRDD Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Cash Receipts:				
Taxes	\$ 1,055,000	\$ 1,055,000	\$ 1,043,917	\$ (11,083)
Intergovernmental	725,000	725,000	532,157	(192,843)
Other	-	-	31,787	31,787
Total Receipts	1,780,000	1,780,000	1,607,861	(172,139)
Cash Disbursements				
Health	1,793,537	1,758,439	1,638,825	119,614
Total Disbursements	1,793,537	1,758,439	1,638,825	119,614
Excess of Receipts Over(Under) Disbursements	(13,537)	21,561	(30,964)	(52,525)
Other Financing Sources (Uses):				
Transfers In	-	-	1,074	1,074
Transfers Out	-	-	(538)	(538)
Total Other Financing Sources (Uses)	-	-	536	536
Net Change in Fund Balance	(13,537)	21,561	(30,428)	(51,989)
Fund Balance at Beginning of Year	1,572,885	1,572,885	1,572,885	-
Prior Year Encumbrances Appropriated	56,252	56,252	56,252	-
Fund Balance at End of Year	\$ 1,615,600	\$ 1,650,698	\$ 1,598,709	\$ (51,989)

See accompanying notes to the required supplementary information.

WYANDOT COUNTY, OHIO

*Schedule of Cash Receipts, Cash Disbursements,
and Changes in Fund Cash Balance (Budgetary Basis)
Jobs and Family Services Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Cash Receipts:				
Intergovernmental	\$ 1,433,279	\$ 1,433,279	\$ 1,251,059	\$ (182,220)
Charges for Services	696,881	696,881	608,283	(88,598)
Total Receipts	<u>2,130,160</u>	<u>2,130,160</u>	<u>1,859,342</u>	<u>(270,818)</u>
Cash Disbursements				
Human Services	<u>2,277,600</u>	<u>2,264,372</u>	<u>1,968,434</u>	<u>295,938</u>
Total Disbursements	<u>2,277,600</u>	<u>2,264,372</u>	<u>1,968,434</u>	<u>295,938</u>
Excess of Receipts Over(Under) Disbursements	<u>(147,440)</u>	<u>(134,212)</u>	<u>(109,092)</u>	<u>25,120</u>
Other Financing Sources (Uses):				
Transfers In	-	-	21,507	21,507
Transfers Out	-	-	(12,000)	(12,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9,507</u>	<u>9,507</u>
Net Change in Fund Balance	(147,440)	(134,212)	(99,585)	34,627
Fund Balance at Beginning of Year	<u>147,441</u>	<u>147,441</u>	<u>147,441</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 13,229</u>	<u>\$ 47,856</u>	<u>\$ 34,627</u>

See accompanying notes to the required supplementary information.

WYANDOT COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2005

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1 this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31 the County must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include January 1, 2005, unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. The County's legal level of control is at the fund, department, and object level. Appropriations may not exceed estimated resources.

Encumbrances

The County is required to use the encumbrance method of accounting by virtue of Ohio law. 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. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

WYANDOT COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2005

Budgetary Basis Fund Balances

Differences between the budgetary basis fund balances and the fund cash balances are due to year end encumbrance amounts. The table below presents the differences between the net changes in fund balance reported in the Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance – Cash Basis and the Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance (Budgetary Basis) for the County’s General and major special revenue funds:

	<u>General Fund</u>	<u>Motor Vehicle and Gasoline Tax Fund</u>	<u>Angeline MRDD Fund</u>	<u>Jobs and Family Services Fund</u>
Net Change in Fund Balance - Cash Basis	\$ (115,997)	\$ 597,756	\$ (6,369)	\$ (99,585)
Encumbrances	<u>(6,637)</u>	<u>(21,398)</u>	<u>(24,059)</u>	<u>-</u>
Net Change in Fund Balance - Budgetary Basis	<u>\$ (122,634)</u>	<u>\$ 576,358</u>	<u>\$ (30,428)</u>	<u>\$ (99,585)</u>

Wyandot County, Ohio
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2005

Federal Grantor/Program Title	Federal CFDA Number	Pass Through Entity Number	Award Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Education</i>			
National School Lunch Program	10.555	066290-LLP4	\$ 1,380
Total U.S. Department of Agriculture			<u>1,380</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed through the Ohio Department of Education</i>			
<u>Special Education Cluster:</u>			
Special Education Grants to States	84.027	066290-6BSF	17,094
Special Education Preschool Grants	84.173	066290-PGS1	11,698
Total Special Education Cluster			<u>28,792</u>
State Grants for Innovative Programs	84.298	066290-C2S1	104
Total U.S. Department of Education			<u>28,896</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through the Ohio Department of Development</i>			
Community Development Block Grant/State Program	14.228	BF-03-081	210,000
Home Investment Partnership	14.239	BG-03-081	254,918
Total U.S. Department of Housing and Urban Development			<u>464,918</u>
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed through the Ohio Department of Job & Family Services (Area 7 Board)</i>			
<u>Workforce Investment Act Cluster</u>			
Workforce Investment Act - Adult	17.258	(1)	28,898
Workforce Investment Act - Youth	17.259	(1)	38,528
Workforce Investment Act - Dislocated Worker	17.260	(1)	45,521
Workforce Investment Act - Reed Act	17.225	(1)	22,104
Workforce Investment Act - Unemployment Insurance	17.225	(1)	2,555
Total Workforce Investment Act Cluster			<u>137,606</u>
Total U.S. Department of Labor			<u>137,606</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	PID22540	1,529,654
		PID22541	21,120
Total Highway Planning and Construction			<u>1,550,774</u>
Total U.S. Department of Transportation			<u>1,550,774</u>

(Continued)

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Wyandot County, Ohio
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2005
(Continued)

Federal Grantor/Program Title	Federal CFDA Number	Pass Through Entity Number	Award Disbursements
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
<i>Passed through the Ohio Department of Public Safety</i>			
Emergency Management Performance Grant	97.042	EMC-2003-GR-7006	22,638
Citizen Corps Program	97.053	2004-GC-T4-0025	7,338
State Domestic Preparedness Equipment Support Program	97.004	2004-GE-T4-0025	76,863
State Homeland Security Program	97.073	2005-GE-T4-0025	14,600
FEMA	97.036	(1)	<u>43,682</u>
Total Department of Homeland Security			<u>165,121</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed through the Ohio Attorney General's Office</i>			
Crime Victim Assistance	16.575	(1)	<u>34,689</u>
Total U.S. Department of Justice			<u>34,689</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Service Block Grant	93.667	(1)	17,558
Medical Assistance Program	93.778	(1)	147,412
Total U.S. Department of Health and Human Services			<u>164,970</u>
TOTAL FEDERAL AWARD EXPENDITURES			<u>2,548,354</u>

(1) Pass through number not available.

See accompanying notes to the Schedule of Expenditures of Federal Awards.

WYANDOT COUNTY, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2005

A. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards summarizes the activity of the County's federal award programs. The Schedule has been prepared on the cash basis of accounting.

B. COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN PROGRAMS

The County has established a revolving loan program to provide low-interest loans to eligible persons and to rehabilitate homes. The Federal Development of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Federal Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2005, the gross amount of loans outstanding under this program was \$793,650.

C. MATCHING REQUIREMENTS

Certain federal programs require the County to contribute non-federal funds (matching funds) to support federally-funded programs. The County has complied with the matching requirements. The expenditure of non-federal (matching) funds is not included on the Schedule of Expenditures of Federal Awards.



Clark, Schaefer, Hackett & Co.
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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*

Wyandot County, Ohio
Board of County Commissioners
109 South Sandusky Avenue
Upper Sandusky, Ohio

We have audited the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Wyandot County, Ohio (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 30, 2007, in which it was noted the County prepared its financial statements on a cash accounting basis, which is a basis other than accounting principles generally accepted in the United States of America. We did not express an opinion on the County's only discretely presented component unit because the financial information for Angeline Industries, Inc. was not audited. Except as discussed in the preceding sentence, 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 Control Over Financial Reporting

In planning and performing our audit, we considered the County'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2005-003 through 2005-005.

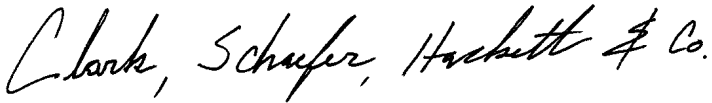
A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable conditions 2005-003 and 2005-005 listed above to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 instances of noncompliance that we are required to report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-001 through 2005-002.

We also noted other matters that we reported to management of the County in a separate letter dated November 30, 2007.

This report is intended solely for the information and use of the Board of County Commissioners, the management of the County, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clark, Schaefer, Hachett & Co.".

Springfield, Ohio
November 30, 2007



Clark, Schaefer, Hackett & Co.
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BUSINESS CONSULTANTS
www.cshco.com

Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133.

Wyandot County, Ohio
Board of County Commissioners
109 South Sandusky Avenue
Upper Sandusky, Ohio

Compliance

We have audited the compliance of Wyandot County, Ohio (the County) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2005. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

As described in item 2005-006 in the accompanying schedule of findings, the County did not comply with the requirement regarding preparation of the Schedule of Expenditures of Federal Awards. Compliance with this requirement is necessary, in our opinion, for the County to comply with requirements applicable to the reporting of expenditures of federal award programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings as item 2005-005.

A material weakness is a reportable 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 noncompliance with the applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition, item 2005-005, described above to be a material weakness.

This report is intended solely for the information and use of the Board of County Commissioners, the management of the County, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
November 30, 2007

WYANDOT COUNTY, OHIO

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2005

1. SUMMARY OF AUDITORS' RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Qualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction - CFDA #20.205
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	No

WYANDOT COUNTY, OHIO

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED
TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2005-001

Ohio Rev. Code Section 117.38 requires each public office to file a financial report annually in accordance with the requirements of the Auditor of State. Ohio Administrative Code Section 117-2-3(B) further clarifies the reporting requirements applicable to each public office and requires counties in the State to prepare its annual financial report in accordance with accounting principles generally accepted in the United State of America (GAAP). Wyandot County has elected to prepare and submit its annual financial report on the cash basis of accounting, which is a basis of accounting other than GAAP, contrary to the provisions of above stated.

Management Response: Wyandot County's finances continue to drive the decision to file under the cash basis. We believe that filing under GAAP would cost an additional \$30,000 per year with no appreciable benefit to the County.

FINDING NUMBER 2005-002

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached certifying that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. There are several exceptions to this standard requirement including the use of blanket purchase orders, "then and now" certificates, and "super" blanket purchase orders.

Proper prior certification by the fiscal officer or following one of the approved exception methods could not be verified in numerous disbursement transactions tested. Failure to properly certify the availability of funds can result in exceeding appropriation levels and negative cash fund balances. The County should ensure all expenditures are being properly certified or addressed through one of the approved exception methods to prior certification.

Management Response: We have further trained our employees and helped them understand how important this process is. This should no longer happen.

FINDING NUMBER 2005-003

The accounting system of the County is not structured in a consistent manner and hinders the processing of information in such a manner that clear and concise financial information can not be readily produced. The current chart of account assigns numerical identifiers for each individual fund however the number sequence assigned to individual funds has no significance, such as all special revenues funds are in the 200 numerical series, all capital project funds are identified in the 300 series, etc. The account codes currently assigned to the receipt and expenditure accounts are comprised of letters or a combination of

letters and numbers and are specifically established for each individual fund which results in information being reported at different levels of detail depending on the codes assigned. Furthermore, various reports produced by the system do not include all the transaction types that should be included, such as transfers into a fund not being reported on the Receipt History report and transfers out not being reported on the Appropriation report. Also, in some reports the information is presented in the order of the fund number and others it is not, which makes tracing an item from one report to the next difficult.

The issues noted above increases the risk that misstatements in the financial information processed by the accounting system would not be detected on a timely basis by employees. In addition, the lack of structure increases the manual tasks associated with extracting financial information, compiling financial statements and reports, including the annual financial report; all of which increases the risk that a misstatement could occur during the compilation of those statements and reports.

The County should establish a logical and meaningful chart of accounts structure. Funds should be assigned numerical identities which identifies and groups the funds by type. Standard revenue and expense codes should be established for every fund to ensure financial information is being recorded and reported consistently regardless of what fund those transactions are posted. Finally, reporting capabilities should be revised to ensure all similar transactions are grouped and reported in a complete and meaningful manner. The County should work with the company that is supporting its existing system to see if that system can handle such modifications and if it can not, the County should explore the possibility of acquiring a system that increases effectiveness and efficiency of the accounting function.

Management Response: A numeric chart of accounts has been completed and is being used beginning with the 2007 year end reports. It is sorted by fund numbers along the following lines.

1000	General Fund
2000	Special Revenue Funds
3000	Debt Service Funds
4000	Capital Project Funds
5000	Enterprise Funds
6000	Internal Service Funds
7000	Fiduciary Funds
8000	Health District & SWCD District
9000	Agency Funds

All appropriations and revenues have eight digits broken down by fund, location and line item. Transfer lines have also been added so that no transactions are missed.

FINDING NUMBER 2005-004

Several audit adjustments or reclassifications were necessary to accurately report the cash receipts and disbursements on the financial statements. Audit adjustments are an indication that controls over financial reporting are deficient in design or not operating as intended. The lack of entity wide chart of account structure previously mentioned is a significant factor hindering the County's ability to produce consistent and accurate information. In other cases, the information provided or the lack of information provided regarding transactions seems to be responsible for some of the improper account postings.

Every attempt should be made to ensure information is posted to the correct account. The County Auditor should require sufficient documentation be provided along with the pay-ins so employees can identify the type and source of each receipt thereby enabling a verification of the account coding prior to posting. This

process might require additional instruction provided to department personnel regarding the level of reporting needed to properly post transactions.

Management Response: We believe this has been corrected per the explanation in 2005-003.

FINDING NUMBER 2005-005

During 2005, the Ohio Department of Transportation (ODOT) paid \$1.55 million in federal funds directly to contractors related to two roadway construction projects based on two separate contracts entered into by the County and ODOT; PID #22540 and PID #22541. Based on these contracts, ODOT and the County mutually agreed to designate the County as the lead agency for the administration of these projects including but not limited to selecting the engineers and contractors, supervising and monitoring the construction, review and approve all invoices related to the projects, and ensuring all Federal and State laws, regulations and executive orders are complied with. As such, the payments made by ODOT are considered to be made on be-half of the County and the County is a sub-recipient of the federal funds disbursed requiring these funds be reported on the County's schedule of expenditures of federal awards.

Auditor of State Bulletin 2000-008, states in part that governments operating on the cash basis of accounting should record the cash value of the benefit received as memorandum receipts and disbursements in the year the on-behalf-of disbursements are made and budgetary information amended accordingly.

The County did not record the payments made by ODOT in its accounting system. Adequate procedures should be implemented to ensure all future on-behalf-of payments are properly recognized in the County's accounting records and subsequent financial reports in the year in which the benefits of such payments are received.

Management Response: These projects were missed because neither the Engineer's Office nor ODOT forwarded the information to us. Per our discussion we have asked for notification from both in the future.

2. FINDINGS RELATED TO THE COUNTY'S FEDERAL AWARDS

FINDING NUMBER 2005-006

OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, Section 310(b) requires recipients to prepare a schedule of expenditures of federal awards that should include, among other things, providing the total expenditures for the period for each individual federal program.

The County's Schedule of Expenditures of Federal Awards presented for audit included several errors and omissions, including not reporting the federal funds expended by ODOT on the County's behalf as mentioned in Finding Number 2005-005, reporting the incorrect expenditure amount associated with several grant programs, and reporting the incorrect program or Catalog of Federal Domestic Assistance (CFDA) identification numbers associated with the award programs of the County.

Reporting inaccurate grant information in the Schedule of Expenditures of Federal Awards may jeopardize future grant funding and/or require the County to return funding to the grantor agency. The County should utilize due care in preparing the annual Schedule of Expenditures of Federal Awards to ensure completeness and accuracy of all information reported. This effort will require all departments carefully review grant documents and accounting records to ensure the correct amounts and program information is provided to the County Auditor to prepare the annual schedule. The final schedule should be reviewed after completion and agreed to underlying cash accounting records of the County.

Management Response: We are in the process of helping the departments that receive federal funds to prepare and deliver this information to us in a timely manner. We believe this issue has been corrected.

WYANDOT COUNTY, OHIO

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Explanation of Correction
2004-001	Finding for Recovery due to overpayment of prior County Recorder	Yes	Repaid during prior audit.
2004-002	ORC 117.38/OAC 117-2-3(B) – requires counties to file GAAP basis reports	No	Not Corrected – repeated as Finding 2005-001.
2004-003	ORC 5705.41(D)(1) – expenditure of money has not been properly certified.	No	Not Corrected – repeated as Finding 2005-002.
2004-004	Audit adjustments and reclassifications were required to correct financial statements.	No	Not Corrected – repeated as Finding 2005-004.
2004-005	Tax collection – failed to reconcile records between County Auditor and County Treasurer	Yes	No issues noted during current audit regarding tax collection.
2004-006	Monitoring of Receipts – estimated receipts were not included in the County’s accounting records	No	Included in current year management letter.
2004-007	Fund Structure – County’s chart of accounts was not structured in consistent manner	No	Not Corrected – repeated as part of Finding 2005-003.
2004-008	28 C.F.R. 66.32(d) – inventory of item purchased with federal funds was not completed.	Yes	



Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

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
MARCH 6, 2008**