

***WYANDOT COUNTY GENERAL HEALTH DISTRICT***

**WYANDOT COUNTY, OHIO**

**AUDIT REPORT**

**For the Year Ended December 31, 2010**

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





# Dave Yost • Auditor of State

Board of Health  
Wyandot County General Health District  
127-A South Sandusky Street  
Upper Sandusky, OH 43351

We have reviewed the *Report of Independent Accountants* of the Wyandot County General Health District, Wyandot County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

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

Dave Yost  
Auditor of State

March 29, 2011

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**WYANDOT COUNTY GENERAL HEALTH DISTRICT**  
**WYANDOT COUNTY, OHIO**  
**Audit Report**  
**For the year ended December 31, 2010**

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Wyandot County General Health District  
Wyandot County  
127-A South Sandusky Street  
Upper Sandusky, Ohio 43351

To the Board of Health:

We have audited the accompanying financial statements of the Wyandot County General Health District, Wyandot County, Ohio (the District), as of and for the year ended December 31, 2010. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2010. Instead of the combined funds the accompanying financial statements present for 2010, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2010. While the District does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since the District does not use GAAP to measure its financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2010, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Wyandot County General Health District, Wyandot County, Ohio, as of December 31, 2010 and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2010. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Charles E. Harris".

*Charles E. Harris & Associates, Inc.*  
February 25, 2011

**WYANDOT COUNTY GENERAL HEALTH DISTRICT  
WYANDOT COUNTY, OHIO  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2010**

	<u>Governmental Fund Types</u>		<u>Total - (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Subdivisions	\$ 79,809	-	\$ 79,809
Taxes	329,107	-	329,107
Fees, Licenses, and Permits	30,912	\$ 1,022,311	1,053,223
Smoking Fines	15,660	-	15,660
Grants	-	486,162	486,162
Donations	27,476	6,234	33,710
Intergovernmental	4,012	32,000	36,012
Reimbursements	116,112	-	116,112
Other Receipts	28,518	9,773	38,291
<b>Total Cash Receipts</b>	<b>631,606</b>	<b>1,556,480</b>	<b>2,188,086</b>
<b>Cash Disbursements:</b>			
Salaries	253,169	802,447	1,055,616
Travel	13,042	35,162	48,204
Public Employee's Retirement	33,167	7,079	40,246
Worker's Compensation	3,339	15,545	18,884
Health Insurance	60,290	120,492	180,782
State Remittances	-	67,070	67,070
Contract Services	6,385	102,768	109,153
Project Fund Expenses	-	420,339	420,339
Equipment and Supplies	33,684	26,857	60,541
Medicare	3,587	713	4,300
Other Distribution	59,853	72,718	132,571
<b>Total Cash Disbursements</b>	<b>466,516</b>	<b>1,671,190</b>	<b>2,137,706</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>165,090</b>	<b>(114,710)</b>	<b>50,380</b>
<b>Other Financing Sources/(Uses):</b>			
Transfers-In	-	119,460	119,460
Transfers-Out	(119,460)	-	(119,460)
Advances-In	40,000	40,000	80,000
Advances-Out	(40,000)	(40,000)	(80,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>(119,460)</b>	<b>119,460</b>	<b>-</b>
<b>Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements and Other Financing Uses</b>	<b>45,630</b>	<b>4,750</b>	<b>50,380</b>
<b>Fund Balance, January 1, 2010</b>	<b>47,790</b>	<b>412,232</b>	<b>460,022</b>
<b>Fund Balance, December 31, 2010</b>	<b>\$ 93,420</b>	<b>\$ 416,982</b>	<b>\$ 510,402</b>

See accompanying Notes to the Financial Statements.



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

**Notes To The Financial Statements  
For The Year Ended December 31, 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The General Health District, Wyandot County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board and a Health Commissioner. The District Advisory Council, made up of the president of the Board of County Commissioners, the Chief Executive of each municipal corporation not constituting a City Health District and chairman of the Board of Trustees of each township, appoints District Board members. The District's services include recording vital statistics; inspection of food service facilities, water wells, and sewers; issuance of licenses and permits; and public nursing services. Also, the Women, Infants, and Children Program (WIC) is under the auspices of the Wyandot General Health District.

The District's management believes these financial statements present all activities for which the Health District is financially accountable.

**B. BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.)

These statements include adequate disclosure of material matters, as prescribed by the Auditor of State.

**C. CASH**

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

**D. FUND ACCOUNTING**

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

**1. General Fund**

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

WYANDOT COUNTY GENERAL HEALTH DISTRICT  
WYANDOT COUNTY, OHIO

Notes To The Financial Statements  
For The Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. FUND ACCOUNTING - (continued)

2. Special Revenue Funds

To account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The District had the following significant Special Revenue Fund:

*Public Health Nursing Fund* – This fund receives money to provide public health nursing services, such as immunizations, home visits, and school nurses.

E. BUDGETARY PROCESS

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

An appropriation measure is adopted by the District on or before the first Monday of April in each year for the period January 1 to December 31 of the following year. The appropriation measure is submitted to the County Auditor, who in turn, submits it to the County Budget Commission. The appropriation measure controls expenditures of the District. The District may, by resolution, transfer funds from one line item to another in the appropriation measure, reduce or increase any item, create new items, and make additional appropriations, subject to availability of funds and to the approval of the County Budget Commission.

The District's legal level of control has been established by the Board of Health at the object level.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered balances as of January 1.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year- end are cancelled and reappropriated in the subsequent year.

A summary of 2010 budgetary activity appears in Note 2.

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

**Notes To The Financial Statements  
For The Year Ended December 31, 2010**

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

**F. PROPERTY, PLANT AND EQUIPMENT**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. ACCUMULATED LEAVE**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's basis of accounting.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2010 is as follows:

<u>Fund Type</u>	<u>2010 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 650,598	\$ 671,606	\$ 21,008
Special Revenue	1,579,168	1,715,940	136,772
<b>Total</b>	<b>\$ 2,229,766</b>	<b>\$ 2,387,546</b>	<b>\$ 157,780</b>

<u>Fund Type</u>	<u>2010 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 698,389	\$ 625,976	\$ 72,413
Special Revenue	1,988,779	1,711,190	277,589
<b>Total</b>	<b>\$ 2,687,168</b>	<b>\$ 2,337,166</b>	<b>\$ 350,002</b>

**3. SUBDIVISION RECEIPTS**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are reported as subdivision receipts in the financial statements. Antrim, Crane, Crawford, Eden, Jackson, Marseilles, Mifflin, Pitt, Richland, Ridge, Salem, Sycamore and Tymochtee Townships, the City of Upper Sandusky, and the Villages of Carey, Harpster, Kirby, Marseilles, Nevada, Sycamore and Wharton comprise the District.

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

**Notes To The Financial Statements  
For The Year Ended December 31, 2010**

**4. PROPERTY TAXES**

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real, public utility, and tangible personal property located in the District. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the Wyandot County Auditors at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation for the District was completed in 2009; an update will be done in 2012.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is usually due December 31, with the remainder payable June 20.

Taxes collected from tangible personal property (other than public utility) received during calendar year 2010 represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied April 1, 2009 on the values listed as of December 31, 2009. Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Wyandot County Treasurer collects property taxes on behalf of the District. The Wyandot County Auditor remit the collected taxes to the District. Tax settlements are made each March and August for real property taxes and each June and October for personal property.

**5. RETIREMENT SYSTEM**

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2010, OPERS members contributed 10% of their wages. The District contributed an amount equal to 14% of participants' gross salaries in the year. The District has paid all contributions required through December 31, 2010.

**6. RISK POOL MEMBERSHIP**

The District belongs to the Public Entities Pool of Ohio ("PEP"), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

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

**Notes To The Financial Statements  
For The Year Ended December 31, 2010**

**6. RISK POOL MEMBERSHIP - (continued)**

**Casualty Insurance**

PEP retains casualty risk up to \$350,000 per claim, including automobile loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$350,000, up to \$2,650,000 per claim and \$10,000,000 in aggregate per year. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, from General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an annual aggregate of \$10,000,000.

**Property Insurance**

Beginning in 2005, Travelers reinsures specific losses exceeding \$500,000 up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$150,000 up to \$500,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available):

	<u>2009</u>	<u>2008</u>
Assets	\$36,374,898	\$35,769,535
Liabilities	<u>(15,256,862)</u>	<u>(15,310,206)</u>
Retained Earnings	<u>\$21,118,036</u>	<u>\$20,459,329</u>

Based on discussion with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP each year of the membership.

**Contributions to PEP**

2008	\$5,287
2009	\$5,198
2010	\$5,702

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

**Notes To The Financial Statements  
For The Year Ended December 31, 2010**

**6. RISK POOL MEMBERSHIP - (continued)**

Members may withdraw in each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of their anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus subsequent year's premium. Also, upon withdrawal, payments of all property and casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year. The District also provides health insurance, dental, and vision coverage to full-time employees through a private carrier.

**7. TRANSFERS**

The General Fund transferred \$119,460 to various special revenue funds to subsidize operations. Although, the District is not subject to requirement in accordance with Ohio Revised Code 5705.14-16, the District approves all transfers by resolution.

**8. ADVANCES**

The General Fund advanced \$40,000 to the WIC Fund – Special Revenue Funds. The funds were repaid.

**9. CONTINGENT LIABILITIES**

Management believes there are no pending claims or lawsuits.

**Charles E. Harris & Associates, Inc.**  
*Certified Public Accountants*

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

Wyandot County General Health District  
Wyandot County  
127-A South Sandusky Street  
Upper Sandusky, OH 43351

To the Board of Health:

We have audited the financial statements of the Wyandot County General Health District, Wyandot County, Ohio (the District) as of and for the year ended December 31, 2010, and have issued our report thereon dated February 25, 2011, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls Over Financial Reporting**

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

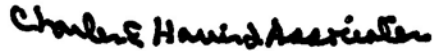
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies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

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

### Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

A handwritten signature in black ink that reads "Charles E. Harris". The signature is written in a cursive, slightly slanted style.

***Charles E. Harris and Associates, Inc.***

February 25, 2011



**WYANDOT COUNTY GENERAL HEALTH DISTRICT**  
**Schedule of Prior Audit Findings**  
**December 31, 2010**

The prior report, for the year ending December 31, 2009, reported no material citations or recommendations.

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# Dave Yost • Auditor of State

WYANDOT COUNTY GENERAL HEALTH DISTRICT

WYANDOT COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
APRIL 12, 2011