



Dave Yost • Auditor of State

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

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FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Governing Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, Ohio (the Health Department), as of and for the year ended December 31, 2010, which collectively comprise the Health Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Health Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

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


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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, as of December 31, 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General; Environmental; Women, Infants, and Children; Breast and Cervical Cancer Project, and Public Health Infrastructure funds, thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2011, on our consideration of the Health Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Health Department's basic financial statements taken as a whole. The schedule of federal awards expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule of federal awards expenditures is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

July 12, 2011

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The discussion and analysis of the Fulton County Health Department's (the Health Department) financial performance provides an overall review of the Health Department's financial activities for the year ended December 31, 2010, within the limitations of the Health Department's cash basis of accounting. The intent of this discussion and analysis is to look at the Health Department's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Health Department's financial performance.

Financial Highlights

Key financial highlights for the year 2010 are as follows:

- Net assets increased by \$125,648. The Cardiovascular Health (CVH) grant which was a tri-county grant with Henry and William's County was not renewed in 2010. Women's, Infants and Children (WIC) grant was increased by \$35,958. Public Health Emergency Preparedness (PHEP) had an increase due to Center for Disease Control granting monies for Public Health Emergency Response (PHER) due to the H1N1 flu pandemic by \$64,600. Family Planning Title X also had an increase in their grant of \$26,653.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the Health Department's receipts, making up almost 65% of all the dollars coming into the Department. General receipts in the form of property taxes and unrestricted grants make up the other 35%.
- The Health Department had \$2,268,275 in disbursements during 2010. Breast and Cervical Cancer Project (BCCP) did not receive as much grant monies so there was less expenditures. The PHER monies ended in August 2010 so there was \$37,000 less expenditures. Also, since the CVH was not renewed in 2010 there was \$65,000 less expended than in 2009.

Using the Basic Financial Statements

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

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Health Department as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on the cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Health Department, presenting both an aggregate view of the Health Department's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health Department as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Health Department has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Health Department's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Health Department as a Whole

The statement of net assets and the statement of activities reflect how the Health Department did financially during 2010, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the Health Department at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Health Department's general receipts.

These statements report the Health Department's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Health Department's financial health. Over time, increases or decreases in the Health Department's cash position is one indicator of whether the Health Department's financial health is improving or deteriorating. When evaluating the Health Department's financial condition, you should also consider other non-financial factors as well, such as the Health Department's property tax base, the condition of the Health Department's capital assets, the reliance on non-local financial resources for operations, and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the Health Department's services. The Health Department has no business-type activities.

Reporting the Health Department's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Health Department's major funds – not the Health Department as a whole. The Health Department establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the Health Department are governmental.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Governmental Funds - The Health Department's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Health Department's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Health Department's health programs. The Health Department's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Health Department's major governmental funds are the General Fund; Environmental Fund; Women Infants and Children (WIC) Fund; Breast and Cervical Cancer Project Fund (BCCP) and the Public Health Emergency Preparedness (PHEP) Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Health Department as a Whole

Table 1 provides a summary of the Health Department's net assets for 2010 compared to 2009 on the cash basis:

	Governmental Activities		
	2010	2009	Change
Assets			
Cash with Fiscal Agent	\$ 1,176,120	\$ 1,050,472	\$ 125,648
Total Assets	1,176,120	1,050,472	125,648
Net Assets			
Restricted	193,535	110,458	83,077
Unrestricted	982,585	940,014	42,571
Total Net Assets	1,176,120	1,050,472	\$ 125,648

As mentioned previously, net assets increased \$125,648. The increase in the unrestricted fund is due to Ohio Department of Health (ODH) sending all grant monies due us in a timely manner. In 2010 the general fund received \$4,000 for two Nutritional mini grants, our immunization receipts increased by \$8,000, we received a refund from Public Entities Pool of Ohio (PEP) of over \$4,000, and environmental fees brought in over \$17,000 than 2009.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Table 2 reflects the change in net assets in 2010. This is a comparative analysis of government-wide data being presented.

Changes in Net Assets

	Governmental Activities	
	2010	2009
Receipts		
Program Cash Receipts		
Charges for Services	\$ 519,175	\$ 588,182
Operating Grants and Contributions	1,012,463	1,020,477
Capital Grants and Contributions	34,676	
Total Program Cash Receipts	1,566,314	1,608,659
General Receipts		
Property Taxes Levied for		
General Health Department Purposes	575,291	568,948
Grants and Entitlements not Restricted to Specific Programs	219,775	218,268
Gifts and Contributions	12,914	10,888
Miscellaneous	19,629	10,143
Total General Receipts	827,609	808,247
Total Receipts	2,393,923	2,416,906
Disbursements		
General Health		
General Health	638,575	654,058
Vital Statistics	30,527	22,461
Administration	180,400	162,797
Environmental Health	326,388	313,043
Women, Infant, and Children	303,619	255,743
Breast and Cervical Cancer Project	230,293	316,208
Immunizations	44,093	39,676
Child and Family Health Services	37,509	38,720
Family Planning	138,557	133,081
Cardiovascular Health	2,552	68,955
Women's Health Services	56,696	68,176
Public Health Infrastructure	279,066	318,949
Total Disbursements	2,268,275	2,391,867
Change in Net Assets	125,648	25,039
Net Assets Beginning of Year	1,050,472	1,025,433
Net Assets End of Year	\$ 1,176,120	\$ 1,050,472

In 2010, 35% of the Health Department's total receipts were from general receipts, consisting mainly of property taxes levied for general health department purposes. Program receipts accounted for 65% of the Health Department's total receipts in year 2010. These receipts consist primarily of charges for services for birth and death certificates; food service licenses; trailer park, swimming pools and spas, and water system permits; and, state and federal operating grants and donations.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Governmental Activities

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major services provided by the Health Department. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Health; Environmental Health; WIC; Breast and Cervical Cancer Project and Public Health Infrastructure (PHI) which account for 37%, 14%, 13%, 10%, and 12% of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Health Department that must be used to provide a specific service. The Capital Grants and Contributions column identifies equipment purchased from with PHER grant monies received for a new telephone system and a smart board. The net cost column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>
General Health				
General Health	\$ 638,575	\$ 445,702	\$ 654,058	\$ 433,232
Vital Statistics	30,527	(24,068)	22,461	(27,327)
Administration	180,400	180,400	162,797	162,797
Environmental Health	326,388	168,303	313,043	189,092
Women, Infant, and Children	303,619	(7,895)	255,743	(10,946)
Breast and Cervical Cancer Project	230,293	(26,008)	316,208	(3,182)
Immunizations	44,093	2,070	39,676	(754)
Child and Family Health Services	37,509	4,809	38,720	1,187
Family Planning	138,557	(5,315)	133,081	18,308
Cardiovascular Health	2,552	2,552	68,955	1,955
Women's Health Services	56,696	(1,719)	68,176	6,358
Public Health Infrastructure	279,066	(36,870)	318,949	12,488
Totals	<u>\$ 2,268,275</u>	<u>\$ 701,961</u>	<u>\$ 2,391,867</u>	<u>\$ 783,208</u>

The Health Department has tried to limit its dependence upon property taxes and local subsidies by actively pursuing federal grants and charging rates for services that are closely related to costs. Only 35% of the Health Department costs are supported through property taxes, unrestricted grants, and other general receipts.

The Health Department's Funds

As noted earlier, the Health Department uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Health Department's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Health Department's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Health Department's net resources available for spending at the end of the year.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

At the end of 2010, the Health Department's governmental funds reported total ending fund balances of \$1,176,120. \$1,175,883 of the total is unreserved fund balance, which is available for spending. The remainder of fund balance is reserved to indicate it is not available for new spending.

While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets – Cash Basis due to their being restricted for use for a particular purpose mandated by the source of the resources such as the state and federal governments.

The General Fund is the chief operating fund of the Health Department. At the end of 2010, unreserved fund balance in the general fund was \$974,385. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total General Fund expenditures. Unreserved fund balance represents 115% of the total General Fund expenditures.

The Environmental Fund accounts for the issuance of water, sewer, and food licenses and permits. License and permit fees accounted for 48% of environmental fund revenue. The rest of the receipt revenue is from transfers from the General Fund.

The Breast and Cervical Cancer Project Fund balance increased substantially due to the fact that we received our 2nd half of the Northwest Ohio Susan G. Komen Foundation grant late in Dec 2010.

The WIC Fund accounts for federal grant monies for the WIC program. WIC is a program for pregnant women, women who recently had a baby, breastfeeding moms and infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. At the end of 2010, the total fund balance was \$22,700.

The Public Health Infrastructure Fund accounts for federal grants related to the Public Health Emergency Preparedness (PHEP) Grant along with the Public Health Emergency Response (PHER) grants. These grants help to maintain and expand public health capability to achieve core leadership during public health emergencies. Due to the H1N1 pandemic, many hours were spent vaccinating people of Fulton County thus the increase in revenue and expenditures in this fund.

General Fund Budgeting Highlights

The Health Department's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2010, the Health Department amended its appropriations and estimated receipts several times, and the budgetary statement reflects both the original and final budgeted amounts. The General Fund's revenues were slightly more than budgeted. The General Fund's expenditures were less than budgeted partially due to a \$14,000 decrease in medical insurance premiums and a decrease in the mileage reimbursement rate to \$.50 per mile.

Contacting the Health Department's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health Department's finances and to reflect the Health Department's accountability for the money it receives. Questions concerning any of the information in this report, or requests for additional information, should be directed to Jane Sauder, Fiscal Officer Supervisor, 606 S. Shoop Ave, Wauseon, OH 43567.

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010

	Primary Government Governmental Activities
Assets	
Cash with Fiscal Agent	\$ 1,176,120
Net Assets	
Restricted for:	
Other Purposes	193,535
Unrestricted	982,585
<i>Total Net Assets</i>	<u>\$ 1,176,120</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

		Program Receipts		
Disbursements		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Health				
General Health	\$ 638,575	\$ 192,873		
Vital Statistics	30,527	54,595		
Administration	180,400			
Community Health Services				
Environmental Health	326,388	141,260	\$ 16,825	
Women, Infants, and Children (WIC)	303,619		311,514	
Breast and Cervical Cancer Project (BCCP)	230,293		256,301	
Immunizations (IAP)	44,093		42,023	
Child and Family Health Services (CFHS)	37,509	9	32,691	
Family Planning (FP)	138,557	52,784	91,088	
Cardiovascular Health (CVH)	2,552			
Women's Health Services (WHS)	56,696	17,904	40,511	
Public Health Infrastructure (PHI)	279,066	59,750	221,510	\$ 34,676
<i>Total Governmental Activities</i>	<u>2,268,275</u>	<u>519,175</u>	<u>1,012,463</u>	<u>34,676</u>

General Receipts

Property Taxes Levied for

 General Health District Purposes

Grants and Entitlements not Restricted to Specific P

Gifts and Contributions

Miscellaneous

Total General Receipts

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts
and Changes in Net Assets
Primary Government
Governmental
Activities

\$	(445,702)
	24,068
	(180,400)
	(168,303)
	7,895
	26,008
	(2,070)
	(4,809)
	5,315
	(2,552)
	1,719
	36,870
	<u>(701,961)</u>

	575,291
	219,775
	12,914
	19,629
	<u>827,609</u>
	125,648
	<u>1,050,472</u>
\$	<u><u>1,176,120</u></u>

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	General	Environmental Fund	Women, Infants, and Children
Assets			
Cash with Fiscal Agents	\$ 974,622	\$ 7,963	\$ 22,700
Fund Balances			
Reserved:			
Reserved for Encumbrances	237		
Unreserved:			
Undesignated, Reported in:			
General Fund	974,385		
Special Revenue Funds		7,963	22,700
<i>Total Fund Balances</i>	<u>\$ 974,622</u>	<u>\$ 7,963</u>	<u>\$ 22,700</u>

See accompanying notes to the basic financial statements

<u>Breast and Cervical Cancer Project</u>	<u>Public Health Infrastructure</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>\$ 85,310</u>	<u>\$ 53,005</u>	<u>\$ 32,520</u>	<u>\$ 1,176,120</u>

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<u>85,310</u>	<u>53,005</u>	<u>32,520</u>	<u>974,385</u>
<u>\$ 85,310</u>	<u>\$ 53,005</u>	<u>\$ 32,520</u>	<u>\$ 1,176,120</u>

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Environmental Fund	Women, Infants, and Children
Receipts			
Property and Other Local Taxes	\$ 575,291		
Intergovernmental	219,775	\$ 16,000	\$ 311,514
Fines, Licenses and Permits		125,375	
Charges for Services	216,321	15,885	
Gifts and Contributions	3,359		
Contractual Services	31,147	825	
Private Grant			
Miscellaneous	13,325	1,002	329
<i>Total Receipts</i>	1,059,218	159,087	311,843
Disbursements			
General Health			
General Health	638,575		
Vital Statistics	30,527		
Administration	180,400		
Environmental Health		326,388	
Women, Infants, and Children (WIC)			303,619
Breast and Cervical Cancer Project (BCCP)			
Immunizations (IAP)			
Child and Family Health Services (CFHS)			
Women's Health Services (WHS)			
Public Health Infrastructure (PHI)			
Family Planning (FP)			
Cardiovascular Health (CVH)			
<i>Total Disbursements</i>	849,502	326,388	303,619
<i>Excess of Receipts Over (Under) Disbursements</i>	209,716	(167,301)	8,224
Other Financing Sources (Uses)			
Transfers In	156	170,030	
Transfers Out	(170,030)		
<i>Total Other Financing Sources (Uses)</i>	(169,874)	170,030	
<i>Net Change in Fund Balances</i>	39,842	2,729	8,224
<i>Fund Balances Beginning of Year</i>	934,780	5,234	14,476
<i>Fund Balances End of Year</i>	\$ 974,622	\$ 7,963	\$ 22,700

See accompanying notes to the basic financial statements

Breast and Cervical Cancer Project	Public Health Infrastructure	Other Governmental Funds	Total Governmental Funds
			\$ 575,291
\$ 158,301	\$ 256,186	\$ 206,313	1,168,089
			125,375
		70,697	302,903
957		8,598	12,914
	59,750		91,722
98,000			98,000
4,411	392	170	19,629
<u>261,669</u>	<u>316,328</u>	<u>285,778</u>	<u>2,393,923</u>
			638,575
			30,527
			180,400
			326,388
			303,619
230,293			230,293
		44,093	44,093
		37,509	37,509
		56,696	56,696
	279,066		279,066
		138,557	138,557
		2,552	2,552
<u>230,293</u>	<u>279,066</u>	<u>279,407</u>	<u>2,268,275</u>
<u>31,376</u>	<u>37,262</u>	<u>6,371</u>	<u>125,648</u>
			170,186
		(156)	(170,186)
		(156)	
31,376	37,262	6,215	125,648
<u>53,934</u>	<u>15,743</u>	<u>26,305</u>	<u>1,050,472</u>
<u>\$ 85,310</u>	<u>\$ 53,005</u>	<u>\$ 32,520</u>	<u>\$ 1,176,120</u>

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 700,000	\$ 700,000	\$ 575,291	\$ (124,709)
Intergovernmental	142,806	142,806	219,775	76,969
Charges for Services	255,500	123,354	216,321	92,967
Gifts and Contributions	15,000	4,000	3,359	(641)
Contractual Services	40,500	33,000	31,147	(1,853)
Miscellaneous	84,970	14,000	13,325	(675)
<i>Total Receipts</i>	<u>1,238,776</u>	<u>1,017,160</u>	<u>1,059,218</u>	<u>42,058</u>
Disbursements				
General Health				
General Health	842,548	613,432	638,812	(25,380)
Vital Statistics	38,152	38,152	30,527	7,625
Administration	249,907	249,907	180,400	69,507
<i>Total Disbursements</i>	<u>1,130,607</u>	<u>901,491</u>	<u>849,739</u>	<u>51,752</u>
<i>Excess of Receipts Over Disbursements</i>	<u>108,169</u>	<u>115,669</u>	<u>209,479</u>	<u>93,810</u>
Other Financing Sources (Uses)				
Transfers In			156	156
Transfers Out	(162,530)	(170,030)	(170,030)	
<i>Total Other Financing Sources (Uses)</i>	<u>(162,530)</u>	<u>(170,030)</u>	<u>(169,874)</u>	<u>156</u>
<i>Net Change in Fund Balances</i>	(54,361)	(54,361)	39,605	93,966
Prior Year Encumbrances Appropriated	3,200	3,200	3,200	
<i>Fund Balances Beginning of Year</i>	<u>931,580</u>	<u>931,580</u>	<u>931,580</u>	
<i>Fund Balances End of Year</i>	<u>\$ 880,419</u>	<u>\$ 880,419</u>	<u>\$ 974,385</u>	<u>\$ 93,966</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ENVIRONMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental Revenue			\$ 16,000	\$ 16,000
Fines, Licenses and Permits	\$ 200,500	\$ 146,387	125,375	(21,012)
Charges for Services	34,000	34,000	15,885	(18,115)
Contractual Services			825	825
Miscellaneous	<u>33,197</u>	<u>33,197</u>	<u>1,002</u>	<u>(32,195)</u>
<i>Total Receipts</i>	<u>267,697</u>	<u>213,584</u>	<u>159,087</u>	<u>(54,497)</u>
Disbursements				
Community Health Services				
Environmental Health	<u>407,830</u>	<u>369,916</u>	<u>326,388</u>	<u>43,528</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(140,133)</u>	<u>(156,332)</u>	<u>(167,301)</u>	<u>(10,969)</u>
Other Financing Sources				
Transfers In	<u>140,000</u>	<u>140,000</u>	<u>170,030</u>	<u>30,030</u>
<i>Net Change in Fund Balances</i>	(133)	(16,332)	2,729	19,061
Prior Year Encumbrances Appropriated	133	133	133	
<i>Fund Balances Beginning of Year</i>	<u>5,101</u>	<u>5,101</u>	<u>5,101</u>	
<i>Fund Balances End of Year</i>	<u>\$ 5,101</u>	<u>\$ (11,098)</u>	<u>\$ 7,963</u>	<u>\$ 19,061</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
WOMEN, INFANTS, AND CHILDREN FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 292,367	\$ 309,067	\$ 311,514	\$ 2,447
Miscellaneous	1,000	1,000	329	(671)
<i>Total Receipts</i>	<u>293,367</u>	<u>310,067</u>	<u>311,843</u>	<u>1,776</u>
Disbursements				
Community Health Services Women, Infant, and Children	<u>293,367</u>	<u>310,067</u>	<u>303,619</u>	<u>6,448</u>
<i>Net Change in Fund Balances</i>			8,224	8,224
<i>Fund Balances Beginning of Year</i>	<u>14,476</u>	<u>14,476</u>	<u>14,476</u>	
<i>Fund Balances End of Year</i>	<u><u>\$ 14,476</u></u>	<u><u>\$ 14,476</u></u>	<u><u>\$ 22,700</u></u>	<u><u>\$ 8,224</u></u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
BREAST AND CERVICAL CANCER PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 213,295	\$ 163,295	\$ 158,301	\$ (4,994)
Private Grant	120,000	92,685	98,000	5,315
Gifts and Contributions	1,000	1,000	957	(43)
Miscellaneous	1,000	1,000	4,411	3,411
<i>Total Receipts</i>	<u>335,295</u>	<u>257,980</u>	<u>261,669</u>	<u>3,689</u>
Disbursements				
Community Health Services				
Breast and Cervical Cancer Project	<u>335,295</u>	<u>248,549</u>	<u>230,293</u>	<u>18,256</u>
<i>Net Change in Fund Balances</i>		9,431	31,376	21,945
<i>Fund Balances Beginning of Year</i>	<u>53,934</u>	<u>53,934</u>	<u>53,934</u>	
<i>Fund Balances End of Year</i>	<u>\$ 53,934</u>	<u>\$ 63,365</u>	<u>\$ 85,310</u>	<u>\$ 21,945</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 110,000	\$ 227,000	\$ 256,186	\$ 29,186
Contractual Services	56,950	56,950	59,750	2,800
Miscellaneous			392	392
<i>Total Receipts</i>	<u>166,950</u>	<u>283,950</u>	<u>316,328</u>	<u>32,378</u>
Disbursements				
Community Health Services				
Public Health Emergency Preparedness	<u>166,950</u>	<u>283,950</u>	<u>279,066</u>	<u>4,884</u>
<i>Net Change in Fund Balances</i>			37,262	37,262
Prior Year Encumbrances Appropriated	627	627	627	
<i>Fund Balances Beginning of Year</i>	<u>15,116</u>	<u>15,116</u>	<u>15,116</u>	
<i>Fund Balances End of Year</i>	<u>\$ 15,743</u>	<u>\$ 15,743</u>	<u>\$ 53,005</u>	<u>\$ 37,262</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 1 – Reporting Entity

The Fulton County Health Department (the Health Department) is governed by a six-member Board of Health. Four of the Board members are appointed by the Department Advisory Council and one member is appointed by the City of Wauseon and one member is appointed by the Fulton County Licensing Council. The Board appoints a health commissioner and all employees of the Health Department.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health Department. The Health Department's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, and emergency response planning.

B. Public Entity Risk Pools

The Health Department participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP).

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health Department's accounting policies.

A. Basis of Presentation

The Health Department's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Health Department as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Health Department that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health Department has no business-type activities.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

The statement of net assets presents the cash balance of the governmental activities of the Health Department at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health Department's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health Department is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be sent back to the Ohio Department of Health. Receipts which are not classified as program receipts are presented as general receipts of the Health Department, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on the cash basis or draws from the general receipts of the Health Department.

Fund Financial Statements

During the year, the Health Department segregates transactions related to certain Health Department 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 Health Department at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Health Department uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Health Department are presented as governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the Health Department are financed. The following are the Health Department's major governmental funds:

The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Health Department for any purpose provided it is expended or transferred according to the general laws of Ohio.

The Environmental Fund accounts for monies received from licenses and permits for items such as food, water, sewage, swimming pools, camps, manufactured home parks, solid waste, infectious waste, and other non-mandated programs. There is no restriction on the use of these funds.

The Women, Infants, and Children special revenue fund accounts for federal grant monies for the Women, Infants, and Children Program. These grant monies are used to improve the health status and prevent health problems to Ohio's at-risk women, infants and children.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

The Breast and Cervical Cancer Project Fund accounts for all financial resources related to the Breast and Cervical Cancer Project Grant from the Ohio Department of Health. The purpose of this program is to assure breast and cervical cancer screening and follow-up and support services are available for low income women. The fund also accounts for all financial resources from the Northwest Ohio Susan G. Komen Foundation.

The Public Health Infrastructure Fund accounts for all financial resources related to the Public Health Emergency Preparedness (PHEP) Grant along with the Public Health Emergency Response (PHER) grants. These grants help to maintain and expand public health capability to achieve core leadership during public health emergencies.

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

C. Basis of Accounting

The Health Department's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health Department's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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 certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and their related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds except agency funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Health Department may appropriate. The appropriations resolution is the Health Department's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Health Department. The legal level of control has been established by the Health Department at the object level for all funds.

ORC Section 3709.28 establishes budgetary requirements for the Health Department, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health Department must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Health Department may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Health Department.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Health Department during the year.

E. Cash and Investments

The County Treasurer is the custodian for the Health Department's cash and investments. The County's cash and investment pool holds the Health Department's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. This information may be obtained by writing Beverly Schlosser, Fulton County Treasurer, 152 S Fulton Street, Wauseon, OH 43567 or by calling 419-337-9252.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Accumulated Leave

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

H. Employer Contributions to Cost-Sharing Pension Plans

The Health Department recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include fund balances for the following funds: Women, Infant, and Children; Breast and Cervical Cancer Project; Children and Family Health Services; Family Planning; Immunization Action Plan; Public Health Infrastructure; Cardiovascular Health; and Women's Health Services.

The Health Department's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

J. Fund Balance Reserves

The Health Department reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund	\$237
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Note 4 - Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Health District. Property tax receipts received in 2010 for real and public utility property taxes represent the collection of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) is for 2010 taxes.

2010 real property taxes are levied after October 1, 2009, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes which became a lien on December 31, 2009 are levied after October 1, 2010, and are collected in 2011 with real property taxes.

2010 tangible property taxes are levied after October 1, 2009, on the value as of December 31, 2009. Collections are made in 2010. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers 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 3, with the remainder due September.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 4 - Property Taxes (Continued)

The full tax rate for all Health Department operations for the year ended December 31, 2010, was \$1.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property:	
Residential	574,000,760
Agricultural	122,803,960
Commercial/Industrial/Mineral	172,375,150
Public Utility Property	35,523,590
Total Assessed Value	<u>904,703,460</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Health District. The County Auditor periodically remits to the Health District its portion of the taxes collected.

Note 5 - Risk Management

The Health Department is exposed to various risks of property and casualty losses, and injuries to employees.

The Health Department insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Health Department belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

A. Public Entity Risk Pool

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 5 - Risk Management (Continued)

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):

	2009	2008
Assets	\$36,374,898	\$35,769,535
Liabilities	(15,256,862)	(15,310,206)
Net Assets – unrestricted	\$21,118,036	\$20,459,329

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Health Department's share of these unpaid claims collectible in future years is approximately \$5,000.

Contributions to PEP

2010	2009	2008
\$4,798	\$4,734	\$4,529

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

B. Commercial Coverage

Cincinnati Insurance Company holds the coverage for building contents with a \$550,000 limit and a \$500 deductible. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

C. Workers' Compensation

The Health Department pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

D. Employee Benefits

The Health Department provided health insurance to eligible employees through a County Consortium. The Health Department provides life insurance in the amount of \$15,000 for eligible employees and accidental death and dismemberment insurance to most employees through Ft. Dearborn Life.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 6 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The Health Department 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 the 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 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 that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll.

The Health Department's contribution rate for 2010 was 14 percent of covered payroll. For the period January 1, through February 28, 2010, a portion of the Health District's contribution equal to 5.5 percent of covered payroll was allocated to fund the postemployment healthcare; for the period March 1 through December 31, 2010, this amount was decreased to 5 percent. Employer contribution rates actuarially determined. State statute sets a maximum contribution rate for the Health District of 14 percent.

The Health Department's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$180,281, \$183,528, and \$172,465, respectively. The full amount has been contributed for 2010, 2009, and 2008. Contributions to the member-directed plan for 2010 were \$6,287 made by the Health Department and \$4,491 made by plan members.

B. Social Security System

Under the Ohio Revised Code (ORC) §145.034, all employees covered by the Ohio Public Employees Retirement System (OPERS) have the option to choose Social Security as their desired retirement system. As of December 31, 2010, six members of the Health Department have elected Social Security. The Board's liability is 6.2 percent of wages.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 7 - Postemployment Benefits

Plan Description – OPERS maintains cost-sharing multiple-employer defined benefit post employment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OEPRS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (888) 222-7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the fund of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 5.5 percent of covered payroll from January 1, through February 28, 2010 and 5 percent from March 1 through December 31, 2010.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Health District's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2010, 2009 and 2008 were \$65,111, \$75,743, and \$86,233 respectively; 100 percent has been contributed for 2010, 2009 and 2008.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006. January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 8 - Interfund Transfers

During 2010 the following transfers were made:

Transfer From	General	Environmental	Total
General		\$170,030	\$170,030
Cardiovascular Health	\$ 156		156
Total	\$ 156	\$170,030	\$170,186

Transfers from the General fund represent the allocation of unrestricted receipts collected in the General fund to finance various programs accounted for in the Environmental fund in accordance with budgetary authorizations. The Cardiovascular Health fund transfer to the General fund reassigned unused funds from a discontinued program.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Health Department are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 - Related Party

The Health Department entered into contracts with Dr. Murtiff for family planning and physician services. Dr. Murtiff's spouse is a member of the Board of Health, but abstains from voting on the doctor's contracts. Total payments to Dr. Murtiff during the audit period totaled \$10,500.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

FEDERAL GRANTOR <i>Pass-through Grantor</i> Program Title	Federal CFDA Number	Project Number	Disbursements
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Passed Through the Ohio Department of Health</i>			
Family Planning Services	93.217	02610011FP0209 02610011FP0311	\$ 44,952 48,490 <hr/> 93,442
Immunization Grants	93.268	02610012IM0209 02610012IM0310	815 35,763 <hr/> 36,578
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	02610014BC0310 02610014BC0411	47,897 66,380 <hr/> 114,277
Maternal and Child Health Services Block Grant to the States	93.994	02610011MC0310 02610011MC0411	12,242 8,757 <hr/> 20,999
Public Health Emergency Preparedness	93.069	02610012PI0110 02610012PI0211	206,742 32,725 <hr/> 239,467
Total Department of Health and Human Services			<hr/> 504,763
UNITED STATES DEPARTMENT OF AGRICULTURE <i>Passed Through the Ohio Department of Health</i>			
Special Supplemental, Nutrition Program for Women, Infants, and Children	10.557	02610011WA0310	<hr/> 303,287
Passed Through the Ohio Department of Education			
Team Nutrition Grant	10.574	NMGE-TW09 NMGF-TW09	2,000 2,000 <hr/> 4,000
Total Department of Agriculture			<hr/> 307,287
TOTAL FEDERAL AWARDS EXPENDITURES			\$ 812,050 <hr/> <hr/>

The accompanying notes are an integral part of this schedule.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Fulton County Health Department's (the Health Department's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the Health Department's to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Health Department's has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Dave Yost • Auditor of State

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

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Governing Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, Ohio (the Health Department), as of and for the year ended December 31, 2010, which collectively comprise the Health Department's basic financial statements and have issued our report thereon dated July 12, 2011, wherein we noted the Health Department prepared its financial statements on the cash basis. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Health Department's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Health Department's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Health Department'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 Health Department'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 Health Department's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the Health Department's management in a separate letter dated July 12, 2011.

We intend this report solely for the information and use of management, the audit committee, Board of Health, federal awarding agencies and pass-through entities, and others within the Health Department. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

July 12, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Governing Board:

Compliance

We have audited the compliance of the Fulton County Health Department, Fulton County, Ohio (the Health Department), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Health Department's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Health Department's major federal programs. The Health Department's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Health Department'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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Health Department's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Health Department's compliance with those requirements.

In our opinion, the Fulton County Health Department complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The Health Department's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Health Department's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Health Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the audit committee, management, Board of Health, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Dave Yost
Auditor of State

July 12, 2011

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program For Women, Infants, And Children (WIC) – CFDA # 10.557 Public Health Emergency Preparedness – Public Health Infrastructure, Pandemic Influenza Funds – CFDA #93.069
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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FULTON COUNTY HEALTH DEPARTMENT

FULTON 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
AUGUST 4, 2011