



Dave Yost • Auditor of State



**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Receipts, Disbursements, and Changes in Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2011 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2010 .....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings .....	15
Schedule of Prior Audit Findings .....	17

**This page intentionally left blank.**



# Dave Yost • Auditor of State

Henry County-City of Napoleon Combined  
General Health District  
Henry County  
1843 Oakwood Avenue  
Napoleon, Ohio 43545-9243

To the Members of the Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

**Dave Yost**  
Auditor of State

September 12, 2012

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Henry County-City of Napoleon Combined  
General Health District  
Henry County  
1843 Oakwood Avenue  
Napoleon, Ohio 43545-9243

To the Members of the Board:

We have audited the accompanying financial statements of Henry County-City of Napoleon Combined General Health District, Henry County, Ohio (the District), as of and for the years ended December 31, 2011 and 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 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, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 of Henry County-City of Napoleon Combined General Health District, Henry County, Ohio, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1F, during 2011 Henry County-City of Napoleon Combined General Health District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

**Dave Yost**  
Auditor of State

September 12, 2012



**HENRY COUNTY-CITY OF NAPOLEON  
GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Taxes	\$487,356		\$487,356
Intergovernmental	257,627	\$393,948	651,575
Fees	33,724	213,485	247,209
Charges for Services		1,695,092	1,695,092
State Subsidy	4,902		4,902
Personal Health fees	124,847		124,847
Donations		30,565	30,565
Other receipts	43,679	44,423	88,102
<i>Total Cash Receipts</i>	<u>952,135</u>	<u>2,377,513</u>	<u>3,329,648</u>
<b>Cash Disbursements</b>			
Salaries	442,964	1,292,428	1,735,392
Supplies	88,564	145,665	234,229
Insurance	38,956	20,509	59,465
Equipment	5,067	82,771	87,838
Contracts - Services	43,584	160,396	203,980
Rentals	131,935	14,338	146,273
Travel	10,599	37,001	47,600
Medicare tax	6,636	18,469	25,105
Utilities/Rent		5,294	5,294
Advertising and printing	4,380	11,677	16,057
Public employee's retirement	59,506	181,321	240,827
Worker's compensation	12,506	15,443	27,949
Settlement Fees	16,471		16,471
Other	88,099	197,535	285,634
<i>Total Cash Disbursements</i>	<u>949,267</u>	<u>2,182,847</u>	<u>3,132,114</u>
<i>Excess of Cash Receipts Over Cash Disbursements</i>	<u>2,868</u>	<u>194,666</u>	<u>197,534</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	24,293	86,395	110,688
Advance In	53,015	25,000	78,015
Transfers Out	(80,000)	(30,688)	(110,688)
Advances Out	(25,000)	(53,015)	(78,015)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(27,692)</u>	<u>27,692</u>	
<i>Net Change in Fund Cash Balances</i>	<u>(24,824)</u>	<u>222,358</u>	<u>197,534</u>
<i>Fund Cash Balances, January 1</i>	<u>390,998</u>	<u>2,243,693</u>	<u>2,634,691</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		141,614	141,614
Committed		2,324,437	2,324,437
Unassigned	366,174		366,174
<i>Fund Cash Balances, December 31</i>	<u>\$366,174</u>	<u>\$2,466,051</u>	<u>\$2,832,225</u>

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

**HENRY COUNTY-CITY OF NAPOLEON  
GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Taxes	\$484,598		\$484,598
Intergovernmental	246,721	\$574,566	821,287
Fees	32,022	193,569	225,591
Charges for Services		1,699,915	1,699,915
State Subsidy	5,116		5,116
Personal Health fees	123,756		123,756
Donations		33,610	33,610
Other receipts	31,411	70,070	101,481
<i>Total Cash Receipts</i>	<u>923,624</u>	<u>2,571,730</u>	<u>3,495,354</u>
<b>Cash Disbursements:</b>			
Salaries	435,423	1,355,267	1,790,690
Supplies	77,276	187,877	265,153
Equipment	2,991	99,968	102,959
Insurance	50,721	169,629	220,350
Contracts - Services	31,126	157,198	188,324
Rentals	121,515	12,473	133,988
Travel	6,586	55,017	61,603
Medicare tax	6,584	18,254	24,838
Advertising and printing	4,459	38,500	42,959
Public employee's retirement	58,255	191,820	250,075
Worker's compensation	12,065	20,334	32,399
Settlement Fees	15,370		15,370
Other	94,624	210,133	304,757
<i>Total Cash Disbursements</i>	<u>916,995</u>	<u>2,516,470</u>	<u>3,433,465</u>
<i>Excess of Cash Receipts Over Cash Disbursements</i>	<u>6,629</u>	<u>55,260</u>	<u>61,889</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		70,000	70,000
Transfers-Out	(61,592)	(8,408)	(70,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(61,592)</u>	<u>61,592</u>	<u></u>
<i>Net Change in Fund Cash Balances</i>	(54,963)	116,852	61,889
<i>Fund Cash Balances, January 1</i>	<u>445,961</u>	<u>2,126,841</u>	<u>2,572,802</u>
<i>Fund Cash Balances, December 31</i>	<u>\$390,998</u>	<u>\$2,243,693</u>	<u>\$2,634,691</u>

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

**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

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

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash**

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

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Home Health Agency Fund - This fund receives insurance reimbursements and fees to provide home nursing services.

Hospice Fund - This fund receives insurance reimbursements and fees for providing hospice services.

**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

Dental Fund - This fund receives fees for services and insurance reimbursements for providing dental services

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

A summary of 2011 and 2010 budgetary activity appears in Note 2.

**F. Fund Balance**

In 2011 the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.*, Under GASB No. 54, fund balances are divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**3. Committed**

The District can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the District amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the District or a District official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

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

**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. Budgetary Activity**

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,217,500	\$1,029,443	(\$188,057)
Special Revenue	3,646,649	2,488,908	(1,157,741)
Total	\$4,864,149	\$3,518,351	(\$1,345,798)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,217,500	\$1,054,267	\$163,233
Special Revenue	3,646,649	2,266,550	1,380,099
Total	\$4,864,149	\$3,320,817	\$1,543,332

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,198,000	\$923,624	(\$274,376)
Special Revenue	3,493,400	2,641,730	(851,670)
Total	\$4,691,400	\$3,565,354	(\$1,126,046)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,279,775	\$978,587	\$301,188
Special Revenue	3,832,811	2,524,878	1,307,933
Total	\$5,112,586	\$3,503,465	\$1,609,121

**3. Intergovernmental Funding**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts. The Henry County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide the District with sufficient funds for health programs. The levy generated \$487,356 in 2011 and \$484,598 in 2010. The financial statements present these amounts as tax receipts.

**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**4. Retirement Systems**

**A. OPERS**

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

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2011.

**B. Social Security**

Effective July 1, 1991, all employees not otherwise covered by the Ohio Public Employees Retirement System (OPERS) have an option to choose Social Security. As of December 31, 2011, all the Board members elected Social Security. The Board's liability is 6.2 percent of wages paid.

**5. Risk Management**

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

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

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local government. 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 Districts pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

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, 2010, 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 District.

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, 2011 and 2010.

**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**5. Risk Management (Continued)**

	<u><b>2011</b></u>	<u><b>2010</b></u>
Assets	\$33,362,404	\$34,952,010
Liabilities	<u>(14,187,273)</u>	<u>(14,320,812)</u>
Net Assets	<u>\$19,175,131</u>	<u>\$20,631,198</u>

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member Districts in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the District's share of these unpaid claims collectible in future years is approximately \$10,000.

Based on discussions 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 for each year of membership.

<u><b>Contributions to PEP</b></u>	
<u><b>2011</b></u>	<u><b>2010</b></u>
\$10,800	\$10,723

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.





# 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*

Henry County-City of Napoleon Combined  
General Health District  
Henry County  
1843 Oakwood Avenue  
Napoleon, Ohio 43545-9243

To the Members of the Board:

We have audited the financial statements of Henry County-City of Napoleon Combined General Health District, Henry County, Ohio (the District), as of and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated September 12, 2012 herein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and the District adopted Governmental Accounting Standards Board Statement No. 54 in 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

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

We intend this report solely for the information and use of management, Board of Health, audit committee, and others within the District. 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

September 12, 2012

**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2011-001**

**Material Weakness**

**Monitoring Financial Statements**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure the information provided to the readers of the financial statements accurately reflects the Board's activity.

The 2011 financial statements contained material errors such as the following:

- An Advance in reported in the General Fund in the amount of \$53,015 was misclassified as Transfer in.
- An Advance out reported in the General Fund in the amount of \$25,000 was misclassified as a Transfer out.
- Advances out reported in the Women's Health (\$25,000), PHEP (\$20,000) and Safety Net Dental (\$3,015) Funds were recorded as Transfers out.

The financial statements have been adjusted to reflect these and other errors. To ensure the District's financial statements are complete and accurate, the District should adopt policies and procedures, including a final review of the financial statements to identify and correct errors and omissions.

**Officials' Response:**

We did not receive a response from Officials to this finding.

**This page intentionally left blank.**

**HENRY COUNTY-CITY OF NAPOLEON COMBINED GENERAL HEALTH DISTRICT  
HENRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2010-001	Material weakness due to errors in financial reporting.	No	Repeated as Finding 2011-001 in this report.

**This page intentionally left blank.**



# Dave Yost • Auditor of State

HENRY COUNTY CITY OF NAPOLEON COMBINED DISTRICT BOARD OF HEALTH

HENRY 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  
OCTOBER 2, 2012