



Mary Taylor, CPA
Auditor of State

**BROWN COUNTY DISTRICT BOARD OF HEALTH
BROWN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Brown County District Board of Health
Brown County
826 Mt. Orab Pike
Georgetown, Ohio 45121

To the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brown County District Board of Health, Brown County, Ohio (the Health District), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Health District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Health District'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 the Brown County District Board of Health, Brown County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Food Service, Public Health Infrastructure, Wellness/Retirement, and Sewage (2008 only) funds thereof for the years 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 June 29, 2009, on our consideration of the Health 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 29, 2009

Brown County District Board of Health
Brown County
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

The discussion and analysis of the Health District's financial performance provides an overall review of the Health District's financial activities for the years ended December 31, 2008 and 2007, within the limitations of the Health District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health District'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 District's financial performance.

Financial Highlights

Key financial highlights for the year 2008 and 2007 are as follows:

- Net assets decreased \$47,975 or 29% from 2007 to 2008 and decreased \$89,588 or 42% from 2006 to 2007. The Health District was able to reduce costs from 2007 to 2008, however, a decrease in net assets still occurred.
- Program specific receipts in the form of charges for services (which includes licenses, permits, and fines) comprise the largest percentage of the Health District's receipts, making up almost 74% in 2008 and 80% in 2007, of all the dollars coming into the District. The Health District did not receive any funds from property and other local taxes during the audit period.

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 District'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 District Board of Health 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 a 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 District, presenting both an aggregate view of the Health District'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 District 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.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Health District 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 District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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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 District as a Whole

The statement of net assets and the statement of activities reflect how the Health District did financially during 2008 and 2007, 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 District 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 District's general receipts.

These statements report the Health District'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 District's financial health. Over time, increases or decreases in the Health District's cash position is one indicator of whether the Health District's financial health is improving or deteriorating. When evaluating the Health District's financial condition, you should also consider other non-financial factors as well such as the Health District's property tax base, the condition of the Health District'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 District's services. The Health District has no business-type activities.

Reporting the Health District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Health District's major funds – not the Health District as a whole. The Health District 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 District are governmental.

Governmental Funds - The Health District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Health District'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 District's health programs. The Health District'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 District's major governmental funds are the General, Public Health Infrastructure, Food Service, and Sewage (only in 2008) Funds. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Brown County District Board of Health
Brown County
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

The Health District as a Whole

Table 1 provides a summary of the Health District's net assets for 2008 compared to 2007 on a cash basis:

Table 1
Net Assets – Cash Basis

	<u>Governmental Activities</u>		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$164,921	\$212,896	(\$47,975)
 Total Assets	 164,921	 212,896	 (47,975)
Net Assets			
Restricted for:			
Food Service	27,971	29,105	(1,134)
Wellness/Retirement	28,750	53,750	(25,000)
Public Health Infrastructure	32,387	3,023	29,364
Trailer/Camp Park	8,837	7,460	1,377
Sewage	29,899	11,286	18,613
Other Purposes	17,351	18,973	(1,622)
Unrestricted	19,726	89,299	(69,573)
 Total Net Assets	 <u>\$164,921</u>	 <u>\$212,896</u>	 <u>(\$47,975)</u>

As mentioned previously, net assets decreased \$47,975 from 2007 to 2008 and decreased \$89,588 from 2006 to 2007. There was an increase in expenditures from 2006 to 2007, however, expenditures decreased from 2007 to 2008. Revenues decreased slightly from 2006 to 2007 and increased a little from 2007 to 2008. Therefore, even with a reduction of expenditures from 2007 to 2008 revenues were still exceeded and a net operating loss was reported in several funds.

Brown County District Board of Health
Brown County
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Table 2 reflects the change in net assets on a cash basis in 2008 and 2007.

Table 2
Changes in Net Assets

	Governmental Activities		
	2008	2007	Change
Receipts			
Program Cash Receipts			
Charges for Services	\$500,388	\$521,980	(\$21,592)
Operating Grants and Contributions	175,383	130,063	45,320
Total Program Cash Receipts	675,771	652,043	23,728
General Receipts			
Miscellaneous	320	1,088	(768)
Total General Receipts	320	1,088	(768)
Total Receipts	676,091	653,131	22,960
Disbursements			
Environmental Health			
General Environmental Health	250,593	219,921	30,672
Solid Waste	57,500	57,500	0
Other Environmental Health (C&DD)	9,008	9,455	(447)
Community Health Services (Nursing)			
General Nursing Programs	130,978	135,728	(4,750)
BCMh	4,330	10,241	(5,911)
DEED	0	873	(873)
Health Promotion and Planning			
Cities Readiness Initiative	21,495	8,992	12,503
Public Health Infrastructure	100,580	101,589	(1,009)
Medical Reserve Corp	5,000	10,000	(5,000)
Vital Statistics	66,607	69,068	(2,461)
Administration	77,975	119,352	(41,377)
Total Disbursements	724,066	742,719	(18,653)
Change in Net Assets	(47,975)	(89,588)	41,613
Net Assets Beginning of Year	212,896	302,484	(89,588)
Net Assets End of Year	\$164,921	\$212,896	(\$47,975)

In 2008 and 2007, basically all revenues were program receipts. Program receipts are primarily comprised of charges for services, and licenses, permits and fines.

The environmental health programs are self-supporting through charges for services, while the community health services were funded through charges for services and operating grants. While not entirely self-supporting, health promotion and planning costs were primarily funded by operating grants which required a local portion of grant costs. In 2008 the Cities Readiness Initiative Grant offered additional funding, while the Medical Reserve Corp grant decreased thus affecting expenses. Additionally, the Public Health Infrastructure Grant increased almost \$42,000 from 2007 to 2008, due to timing of payments received. Administration expenses decreased from 2007 to 2008 due to more conservative spending. General Environmental Health expenditures increased from 2007 to 2008 due to an increase in salaries and related benefits in the Sewage Fund.

Brown County District Board of Health
Brown County
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For the Year Ended December 31, 2008 and 2007
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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 District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general environmental health, which account for 38% and 31% of all governmental disbursements, in 2008 and 2007, respectively. The next two 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 District that must be used to provide a specific service. 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 local townships and municipalities, 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 for both the current and prior years is presented in Table 3.

Table 3
Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Environmental Health				
General Environmental Health	\$250,593	\$51,532	\$219,921	\$108,075
Solid Waste	57,500	2,700	57,500	2,700
Other Environmental Health (C&DD)	9,008	4,843	9,455	4,964
Community Health Services				
General Nursing Programs	130,978	49,661	135,728	(62,639)
BCMh	4,330	0	10,241	(3,461)
DEED	0	0	873	(623)
Health Promotion and Planning				
Cities Readiness Initiative	21,495	0	8,992	0
Public Health Infrastructure	100,580	29,364	101,589	(13,417)
Medical Reserve Corps	5,000	0	10,000	0
Vital Statistics	66,607	(9,098)	69,068	(6,923)
Administration	77,975	(77,975)	119,352	(119,352)
Totals	\$724,066	\$51,027	\$742,719	(\$90,676)

The environmental health programs are self-supporting through charges for services, while the community health services were funded through charges for services and operating grants in roughly equal amounts. The environmental health programs also provide support for administrative expenses, as no property and other local tax money is received by the Health District.

The Health District's Funds

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

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

Brown County District Board of Health
Brown County
Management's Discussion and Analysis
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Unaudited

The Health District's governmental funds reported total ending fund balances of \$164,921 in 2008 and \$212,896 in 2007. \$150,882 and \$199,598 of the total is unreserved fund balance, in 2008 and 2007, respectively, 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 District. Unreserved fund balance in the general fund was \$9,396 and \$78,203 at year end 2008 and 2007, respectively. 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 2% and 15% in 2008 and 2007, respectively, of the total general fund expenditures.

Expenditures exceeded revenues in the general fund by \$69,573 in 2008 and \$101,883 in 2007. Charges for Services account for 51% and 45% of revenues in the general fund in 2008 and 2007, respectively. Environmental health accounts for the majority of expenditures in the general fund.

The Food Service fund reported an increase in fund balance of \$12,900 in 2007 and a decrease in fund balance of \$1,134 was reported in 2008. Fees were increased during 2007 to compensate for increasing costs.

The Public Health Infrastructure fund reported an increase in fund balance of \$29,364 in 2008 and a decrease in fund balance of \$13,417 in 2007. This was a result of money being received during 2008, however, a portion of it was spent in 2007.

The Wellness/Retirement fund was created in 2006 with transfers from several funds. Fund balance decreased \$25,000 during 2008 due to a court ordered transfer to the recently created Sewage Fund.

The Sewage Fund was created in 2007 and included a transfer from the General Fund. In 2008 the balance increased \$18,613, mainly due to a \$25,000 court ordered transfer from the Wellness/Retirement Fund.

General Fund Budgeting Highlights

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

During 2008 and 2007, the Health District amended its General Fund budget a several times to reflect changing circumstances. There was a slight increase between final and original budgeted receipts in 2008 and a decrease between final and original budgeted receipts in 2007. The final budgeted receipts exceeded actual receipts by \$2,016 or less than 1% in 2008 and final budgeted receipts exceeded actual receipts by \$42,511 or 9% in 2007.

In 2008, final appropriations were budgeted at \$487,156, while actual disbursements were \$442,887. In 2007, final appropriations were budgeted at \$579,287, while actual disbursements were \$507,992. The District was able to keep spending below budgeted amounts as demonstrated by the reported variances, however, receipts were less than disbursements resulting in a fund balance decrease in 2008 and 2007 of \$69,573 and \$101,883, respectively.

Brown County District Board of Health
Brown County
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Health District does not report capital assets under the cash basis of accounting.

Debt

The Health District has no debt.

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health District's finances and to reflect the Health District'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 Danette York, Health Commissioner, Brown County District Board of Health, 826 Mt. Orab Pike, Georgetown, Ohio 45121.

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Brown County District Board of Health
Brown County
Statement of Net Assets - Cash Basis
December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$164,921
<i>Total Assets</i>	\$164,921
 Net Assets	
Restricted for:	
Food Service	\$27,971
Wellness/Retirement	28,750
Public Health Infrastructure	32,387
Trailer/Camp Park	8,837
Sewage	29,899
Other Purposes	17,351
Unrestricted	19,726
<i>Total Net Assets</i>	\$164,921

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	<u>Program Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Governmental Activities				
Environmental Health				
General Environmental Health	\$250,593	\$302,125	\$0	\$51,532
Solid Waste	57,500	60,200	0	2,700
Other Environmental Health (C&DD)	9,008	13,851	0	4,843
Community Health Services (Nursing)				
General Nursing Programs	130,978	67,488	13,829	(49,661)
BCMh	4,330	0	4,330	0
Health Promotion and Planning				
Cities Readiness Initiative	21,495	0	21,495	0
Public Health Infrastructure	100,580	0	129,944	29,364
Medical Reserve Corps	5,000	0	5,000	0
Vital Statistics	66,607	56,724	785	(9,098)
Administration	77,975	0		(77,975)
<i>Total Governmental Activities</i>	<u>\$724,066</u>	<u>\$500,388</u>	<u>\$175,383</u>	<u>(48,295)</u>
		General Receipts		
				<u>320</u>
				Miscellaneous
				<u>320</u>
				<i>Total General Receipts</i>
				(47,975)
				Change in Net Assets
				<u>212,896</u>
				<i>Net Assets Beginning of Year</i>
				<u>\$164,921</u>
				<i>Net Assets End of Year</i>

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	General	Restaurant Fund	Public Health Infrastructure Grant	Sewage Fund	Wellness/ Retirement Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$19,726	\$27,971	\$32,387	\$29,899	\$28,750	\$26,188	\$164,921
<i>Total Assets</i>	<u>\$19,726</u>	<u>\$27,971</u>	<u>\$32,387</u>	<u>\$29,899</u>	<u>\$28,750</u>	<u>\$26,188</u>	<u>\$164,921</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$10,330	\$253	\$833	\$893	\$0	\$1,730	\$14,039
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	9,396	0	0	0	0	0	9,396
Special Revenue Funds	0	27,718	31,554	29,006	28,750	24,458	141,486
<i>Total Fund Balances</i>	<u>\$19,726</u>	<u>\$27,971</u>	<u>\$32,387</u>	<u>\$29,899</u>	<u>\$28,750</u>	<u>\$26,188</u>	<u>\$164,921</u>

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Food Service Fund	Public Health Infrastructure Fund	Sewage Fund	Wellness/ Retirement	Other Governmental Funds	Total Governmental Funds
Receipts							
Intergovernmental	\$45,439	\$0	\$129,944	\$0	\$0	\$0	\$175,383
Fines, Licenses and Permits	128,484	83,236	0	44,875	0	33,662	290,257
Charges for Services	188,741	1,036	0	20,240	0	114	210,131
Miscellaneous	320	0	0	0	0	0	320
<i>Total Receipts</i>	<u>362,984</u>	<u>84,272</u>	<u>129,944</u>	<u>65,115</u>	<u>0</u>	<u>33,776</u>	<u>676,091</u>
Disbursements							
Current:							
Environmental Health							
General Environmental Health	87,485	60,567	0	71,502	0	31,039	250,593
Solid Waste	57,500	0	0	0	0	0	57,500
Other Environmental Health (C&DD)	9,008	0	0	0	0	0	9,008
Community Health Services (Nursing)							
General Nursing Programs	130,978	0	0	0	0	0	130,978
BCMh	4,330	0	0	0	0	0	4,330
Health Promotion and Planning							
Cities Readiness Initiative	21,495	0	0	0	0	0	21,495
Public Health Infrastructure	0	0	100,580	0	0	0	100,580
Medical Reserve Corps	5,000	0	0	0	0	0	5,000
Vital Statistics	66,607	0	0	0	0	0	66,607
Administration	50,154	24,839	0	0	0	2,982	77,975
<i>Total Disbursements</i>	<u>432,557</u>	<u>85,406</u>	<u>100,580</u>	<u>71,502</u>	<u>0</u>	<u>34,021</u>	<u>724,066</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(69,573)</u>	<u>(1,134)</u>	<u>29,364</u>	<u>(6,387)</u>	<u>0</u>	<u>(245)</u>	<u>(47,975)</u>
Other Financing Sources (Uses)							
Transfers In	0	0	0	25,000	0	0	25,000
Transfers Out	0	0	0	0	(25,000)	0	(25,000)
Advances In	9,944	0	9,944	0	0	0	19,888
Advances Out	(9,944)	0	(9,944)	0	0	0	(19,888)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>(25,000)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(69,573)</u>	<u>(1,134)</u>	<u>29,364</u>	<u>18,613</u>	<u>(25,000)</u>	<u>(245)</u>	<u>(47,975)</u>
<i>Fund Balances Beginning of Year</i>	<u>89,299</u>	<u>29,105</u>	<u>3,023</u>	<u>11,286</u>	<u>53,750</u>	<u>26,433</u>	<u>212,896</u>
<i>Fund Balances End of Year</i>	<u>\$19,726</u>	<u>\$27,971</u>	<u>\$32,387</u>	<u>\$29,899</u>	<u>\$28,750</u>	<u>\$26,188</u>	<u>\$164,921</u>

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$38,311	\$45,439	\$45,439	\$0
Fines, Licenses and Permits	145,815	129,875	128,484	(1,391)
Charges for Services	177,231	189,366	188,741	(625)
Miscellaneous	0	320	320	0
<i>Total Receipts</i>	361,357	365,000	362,984	(2,016)
Disbursements				
Current:				
Environmental Health				
General Environmental Health	98,096	108,096	97,815	10,281
Solid Waste	57,500	57,500	57,500	0
Other Environmental Health (C&DD)	12,500	10,000	9,008	992
Community Health Services				
General Nursing Programs	132,520	150,000	130,978	19,022
BCMH	9,000	6,000	4,330	1,670
Health Promotion and Planning				
Cities Readiness Initiative	21,495	21,495	21,495	0
Medical Reserve Corps	5,000	5,000	5,000	0
Vital Statistics	65,000	70,402	66,607	3,795
Administration	52,505	58,663	50,154	8,509
<i>Total Disbursements</i>	453,616	487,156	442,887	44,269
<i>Excess of Receipts Over (Under) Disbursements</i>	(92,259)	(122,156)	(79,903)	42,253
Other Financing Sources (Uses)				
Advances In	0	0	9,944	9,944
Advances Out	0	0	(9,944)	(9,944)
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	(92,259)	(122,156)	(79,903)	42,253
Prior Year Encumbrances Appropriated	11,096	11,096	11,096	0
<i>Fund Balances Beginning of Year</i>	78,203	78,203	78,203	0
<i>Fund Balances End of Year</i>	(\$2,960)	(\$32,857)	\$9,396	\$42,253

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Food Service Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Fines, Licenses, and Permits	\$79,798	\$83,236	\$83,236	\$0
Charges for Services	993	1,036	1,036	0
<i>Total Receipts</i>	<u>80,791</u>	<u>84,272</u>	<u>84,272</u>	<u>0</u>
Disbursements				
Current:				
Environmental Health				
General Environmental Health	59,483	65,163	60,820	4,343
Administration	24,270	26,590	24,839	1,751
<i>Total Disbursements</i>	<u>83,753</u>	<u>91,753</u>	<u>85,659</u>	<u>6,094</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,962)</u>	<u>(7,481)</u>	<u>(1,387)</u>	<u>6,094</u>
Prior Year Encumbrances Appropriated	56	56	56	0
<i>Fund Balances Beginning of Year</i>	<u>29,049</u>	<u>29,049</u>	<u>29,049</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$26,143</u></u>	<u><u>\$21,624</u></u>	<u><u>\$27,718</u></u>	<u><u>\$6,094</u></u>

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown 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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$104,798	\$129,944	\$129,944	\$0
<i>Total Receipts</i>	104,798	129,944	129,944	0
Disbursements				
Current:				
Health Promotion and Planning				
Public Health Infrastructure	106,284	110,284	101,413	8,871
<i>Total Disbursements</i>	106,284	110,284	101,413	8,871
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,486)	19,660	28,531	8,871
Other Financing Sources (Uses)				
Advances In	0	0	9,944	9,944
Advances Out	0	(9,944)	(9,944)	0
<i>Total Other Financing Sources (Uses)</i>	0	(9,944)	0	9,944
<i>Net Change in Fund Balances</i>	(1,486)	9,716	28,531	18,815
Prior Year Encumbrances Appropriated	1,486	1,486	1,486	0
<i>Fund Balances Beginning of Year</i>	1,537	1,537	1,537	0
<i>Fund Balances End of Year</i>	\$1,537	\$12,739	\$31,554	\$18,815

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Sewage Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Fines, Licenses, and Permits	\$124,618	\$46,863	\$44,875	(\$1,988)
Charges for Services	56,207	21,137	20,240	(897)
<i>Total Receipts</i>	<u>180,825</u>	<u>68,000</u>	<u>65,115</u>	<u>(2,885)</u>
Disbursements				
Current:				
Environmental Health				
General Environmental Health	103,482	103,482	72,395	31,087
<i>Total Disbursements</i>	<u>103,482</u>	<u>103,482</u>	<u>72,395</u>	<u>31,087</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>77,343</u>	<u>(35,482)</u>	<u>(7,280)</u>	<u>28,202</u>
Other Financing Sources (Uses)				
Transfers In	0	0	25,000	25,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>
<i>Net Change in Fund Balances</i>	77,343	(35,482)	17,720	53,202
Prior Year Encumbrances Appropriated	525	525	525	0
<i>Fund Balances Beginning of Year</i>	<u>10,761</u>	<u>10,761</u>	<u>10,761</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$88,629</u></u>	<u><u>(\$24,196)</u></u>	<u><u>\$29,006</u></u>	<u><u>\$53,202</u></u>

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Wellness/Retirement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Transfers Out	0	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	(25,000)	(25,000)	0
<i>Net Change in Fund Balances</i>	0	(25,000)	(25,000)	0
<i>Fund Balances Beginning of Year</i>	53,750	53,750	53,750	0
<i>Fund Balances End of Year</i>	\$53,750	\$28,750	\$28,750	\$0

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Net Assets - Cash Basis
December 31, 2007

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$212,896
<i>Total Assets</i>	\$212,896
Net Assets	
Restricted for:	
Food Service	\$29,105
Wellness/Retirement	53,750
Public Health Infrastructure	3,023
Trailer/Camp Park	7,460
Sewage	11,286
Other Purposes	18,973
Unrestricted	89,299
<i>Total Net Assets</i>	\$212,896

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Primary Government Governmental Activities
Governmental Activities				
Environmental Health				
General Environmental Health	\$219,921	\$327,996	\$0	\$108,075
Solid Waste	57,500	60,200	0	2,700
Other Environmental Health (C&DD)	9,455	14,419	0	4,964
Community Health Services (Nursing)				
General Nursing Programs	135,728	57,998	15,091	(62,639)
BCMh	10,241	0	6,780	(3,461)
Deed	873	0	250	(623)
Health Promotion and Planning				
Cities Readiness Initiative	8,992	0	8,992	0
Public Health Infrastructure	101,589	0	88,172	(13,417)
Medical Reserve Corps	10,000	0	10,000	0
Vital Statistics	69,068	61,367	778	(6,923)
Administration	119,352		0	(119,352)
<i>Total Governmental Activities</i>	<u>\$742,719</u>	<u>\$521,980</u>	<u>\$130,063</u>	<u>(90,676)</u>
				General Receipts
				Miscellaneous
				<u>1,088</u>
				<i>Total General Receipts</i>
				1,088
				Change in Net Assets
				(89,588)
				<i>Net Assets Beginning of Year</i>
				<u>302,484</u>
				<i>Net Assets End of Year</i>
				<u><u>\$212,896</u></u>

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	General	Food Service Fund	Public Health Infrastructure Fund	Wellness/ Retirement Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$89,299	\$29,105	\$3,023	\$53,750	\$37,719	\$212,896
<i>Total Assets</i>	<u>\$89,299</u>	<u>\$29,105</u>	<u>\$3,023</u>	<u>\$53,750</u>	<u>\$37,719</u>	<u>\$212,896</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$11,096	\$56	\$1,486	\$0	\$660	\$13,298
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	78,203	0	0	0	0	78,203
Special Revenue Funds	0	29,049	1,537	53,750	37,059	121,395
<i>Total Fund Balances</i>	<u>\$89,299</u>	<u>\$29,105</u>	<u>\$3,023</u>	<u>\$53,750</u>	<u>\$37,719</u>	<u>\$212,896</u>

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Food Service Fund	Public Health Infrastructure Fund	Wellness/ Retirement	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$41,891	\$0	\$88,172	\$0	\$0	\$130,063
Fines, Licenses and Permits	178,037	82,217	0	0	63,715	323,969
Charges for Services	186,473	1,916	0	0	9,622	198,011
Miscellaneous	1,088	0	0	0	0	1,088
<i>Total Receipts</i>	<u>407,489</u>	<u>84,133</u>	<u>88,172</u>	<u>0</u>	<u>73,337</u>	<u>653,131</u>
Disbursements						
Current:						
Environmental Health						
General Environmental Health	87,114	59,806	0	0	73,001	219,921
Solid Waste	57,500	0	0	0	0	57,500
Other Environmental Health (C&DD)	9,455	0	0	0	0	9,455
Community Health Services (Nursing)						
General Nursing Programs	135,728	0	0	0	0	135,728
BCMh	10,241	0	0	0	0	10,241
DEED	873	0	0	0	0	873
Health Promotion and Planning						
Cities Readiness Initiative	8,992	0	0	0	0	8,992
Public Health Infrastructure	0	0	101,589	0	0	101,589
Medical Reserve Corps	10,000	0	0	0	0	10,000
Vital Statistics	69,068	0	0	0	0	69,068
Administration	107,925	11,427	0	0	0	119,352
<i>Total Disbursements</i>	<u>496,896</u>	<u>71,233</u>	<u>101,589</u>	<u>0</u>	<u>73,001</u>	<u>742,719</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(89,407)</u>	<u>12,900</u>	<u>(13,417)</u>	<u>0</u>	<u>336</u>	<u>(89,588)</u>
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	12,476	12,476
Transfers Out	(12,476)	0	0	0	0	(12,476)
Advances In	41,317	0	41,317	0	0	82,634
Advances Out	(41,317)	0	(41,317)	0	0	(82,634)
<i>Total Other Financing Sources (Uses)</i>	<u>(12,476)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,476</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(101,883)</u>	<u>12,900</u>	<u>(13,417)</u>	<u>0</u>	<u>12,812</u>	<u>(89,588)</u>
<i>Fund Balances Beginning of Year</i>	<u>191,182</u>	<u>16,205</u>	<u>16,440</u>	<u>53,750</u>	<u>24,907</u>	<u>302,484</u>
<i>Fund Balances End of Year</i>	<u><u>\$89,299</u></u>	<u><u>\$29,105</u></u>	<u><u>\$3,023</u></u>	<u><u>\$53,750</u></u>	<u><u>\$37,719</u></u>	<u><u>\$212,896</u></u>

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$12,000	\$40,000	\$41,891	\$1,891
Fines, Licenses and Permits	233,850	224,000	178,037	(45,963)
Charges for Services	332,950	185,000	186,473	1,473
Miscellaneous	1,200	1,000	1,088	88
<i>Total Receipts</i>	580,000	450,000	407,489	(42,511)
Disbursements				
Current:				
Environmental Health				
General Environmental Health	191,321	109,126	98,210	10,916
Solid Waste	57,500	57,500	57,500	0
Other Environmental Health (C&DD)	9,000	9,455	9,455	0
Community Health Services				
General Nursing Programs	125,941	135,728	135,728	0
BCMh	8,000	10,241	10,241	0
DEED	250	873	873	0
Health Promotion and Planning				
Cities Readiness Initiative	0	8,992	8,992	0
Medical Reserve Corps	0	10,000	10,000	0
Vital Statistics	60,000	69,068	69,068	0
Administration	150,000	168,304	107,925	60,379
<i>Total Disbursements</i>	602,012	579,287	507,992	71,295
<i>Excess of Receipts Over (Under) Disbursements</i>	(22,012)	(129,287)	(100,503)	28,784
Other Financing Sources (Uses)				
Transfers Out	0	(12,476)	(12,476)	0
Advances In	0	0	41,317	41,317
Advances Out	0	(41,317)	(41,317)	0
<i>Total Other Financing Sources (Uses)</i>	0	(53,793)	(12,476)	41,317
<i>Net Change in Fund Balances</i>	(22,012)	(183,080)	(112,979)	70,101
Prior Year Encumbrances Appropriated	22,012	22,012	22,012	0
<i>Fund Balances Beginning of Year</i>	169,170	169,170	169,170	0
<i>Fund Balances End of Year</i>	\$169,170	\$8,102	\$78,203	\$70,101

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Food Service Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Fines, Licenses, and Permits	\$86,973	\$84,041	\$82,217	(\$1,824)
Charges for Services	2,027	1,959	1,916	(43)
<i>Total Receipts</i>	89,000	86,000	84,133	(1,867)
Disbursements				
Current:				
Environmental Health				
General Environmental Health	74,778	74,778	59,862	14,916
Administration	14,266	14,266	11,427	2,839
<i>Total Disbursements</i>	89,044	89,044	71,289	17,755
<i>Excess of Receipts Over (Under) Disbursements</i>	(44)	(3,044)	12,844	15,888
Prior Year Encumbrances Appropriated	44	44	44	0
<i>Fund Balances Beginning of Year</i>	16,161	16,161	16,161	0
<i>Fund Balances End of Year</i>	\$16,161	\$13,161	\$29,049	\$15,888

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown 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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$89,000	\$88,172	\$88,172	\$0
<i>Total Receipts</i>	89,000	88,172	88,172	0
Disbursements				
Current:				
Health Promotion and Planning				
Public Health Infrastructure	89,736	103,797	103,075	722
<i>Total Disbursements</i>	89,736	103,797	103,075	722
<i>Excess of Receipts Over (Under) Disbursements</i>	(736)	(15,625)	(14,903)	722
Other Financing Sources (Uses)				
Advances In	0	32,124	41,317	9,193
Advances Out	0	(26,119)	(41,317)	(15,198)
<i>Total Other Financing Sources (Uses)</i>	0	6,005	0	(6,005)
<i>Net Change in Fund Balances</i>	(736)	(9,620)	(14,903)	(5,283)
Prior Year Encumbrances Appropriated	736	736	736	0
<i>Fund Balances Beginning of Year</i>	15,704	15,704	15,704	0
<i>Fund Balances End of Year</i>	\$15,704	\$6,820	\$1,537	(\$5,283)

See accompanying notes to the basic financial statements

Brown County District Board of Health
Brown County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Wellness/Retirement Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Fund Balances Beginning of Year</i>	53,750	53,750	53,750	0
<i>Fund Balances End of Year</i>	\$53,750	\$53,750	\$53,750	\$0

See accompanying notes to the basic financial statements

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Brown County District Board of Health
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 1 – Reporting Entity

A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District'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.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a 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 District's accounting policies.

A. Basis of Presentation

The Health District'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 District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and cash disbursements. These statements usually distinguish between those activities of the Health District 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 District has no business-type activities.

Note 2 - Summary of Significant Accounting Policies (continued)

The statement of net assets presents the cash balances of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District'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 District 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 used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

Fund Financial Statements

During the year, the Health District segregates transactions related to certain Health District 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 District 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 District 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 Health District has governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District'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 District for any purpose provided it is expended or transferred according to the general laws of Ohio.

The Food Service Fund accounts for all funds received and disbursed for the food service program.

The Public Health Infrastructure Fund accounts for all grant funds received from the Ohio Department of Health and disbursed for the planning and preparation of response to emergencies in Brown County and for building the Health District's infrastructure.

The Wellness/Retirement Fund accounts for funds to be disbursed for employees who leave the Health District. Funds are intended to be used for those that require lump sum payments of leave time accrued following resignation, retirement, or discharge. They are also intended to use for any employee compensation required by unemployment benefits.

The Sewage Fund (only 2008) accounts for all funds received and disbursed for the sewage service program.

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

Note 2 - Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health District'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.

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 the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the district if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District 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 Board of Health 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.

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 Board of Health.

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 Board of Health during the year.

E. Cash

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District'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 Doug Green, County Auditor, 800 Mt. Orab Pike, Georgetown, Ohio 45121 or (937)378-6398.

Note 2 - Summary of Significant Accounting Policies (continued)

F. Capital Assets

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

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 District's cash basis of accounting.

H. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. The Health District has no loans and lease payments are reported when paid.

J. 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 the programs and/or funds of marinas, parks, private water, food service, pools/spa, and public health infrastructure.

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

K. Fund Balance Reserves

The Health District 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.

L. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Compliance

Contrary to Ohio Rev. Code Section 3709.28 appropriations exceeded the total certified resources in two funds at December 31, 2008, and appropriations exceeded actual resources in two funds at December 31, 2008 and four funds at December 31, 2007.

Brown County District Board of Health
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 4 - 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 (are) outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to:

Year	Fund	Amount
2008	General	\$ 10,330
2008	Restaurant	253
2008	Public Health Infrastructure	833
2008	Sewage	893
2008	Other Governmental Funds	1,730
Total 2008		\$ 14,039
Year	Fund	Amount
2007	General	\$ 11,096
2007	Restaurant	56
2007	Public Health Infrastructure	1,486
2007	Other Governmental Funds	660
Total 2007		\$ 13,298

Note 5 - Risk Management

The Health District falls under the property and liability coverage of the Brown County Commissioners through the County Risk Sharing Authority (CORSA). The Health District pays their portion of the insurance to the Brown County Commissioners.

Note 6 - Defined Benefit Pension Plans

Plan Description - The Health District 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.

Note 6 - Defined Benefit Pension Plans (continued)

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008 and 2007, members in state and local classifications contributed 10 and 9.5 percent of covered payroll, respectively.

The Health District's contribution rate for 2008 was 14 percent of covered payroll and for 2007 was 13.85 percent of covered payroll. For 2008, a portion of the Health District's contribution equal to seven percent of covered payroll was allocated to fund the postemployment healthcare plan. For the period January 1, through June 30, 2007, a portion of the Health District's contribution equal to five percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period July 1 through December 31, 2007 this amount was increased to six percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Health District of 14 percent.

The Health District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$53,907, \$49,322, and \$44,447 respectively. The full amount has been contributed for 2008, 2007 and 2006.

Note 7 - Postemployment Benefits

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment 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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 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 funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008 and 2007, local government employers contributed 14 and 13.85 percent, respectively, 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 five percent of covered payroll from January 1 through June 30, 2007, six percent from July 1 through December 31, 2007, and seven percent from January 1, 2008 – December 31, 2008.

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.

Brown County District Board of Health
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 7 - Postemployment Benefits (continued)

The Health District's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$26,953, \$19,586, and \$14,861 respectively; 100 percent has been contributed for 2008, 2007 and 2006.

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.

Note 8 - Interfund Transfers

During 2008 the following transfer was made by order of the court:

Transfers from the Wellness/Retirement Fund to:	
Sewage Fund	\$25,000

The transfer was made in order to establish a base in the recently established Sewage Fund.

During 2007 the following transfer was made:

Transfers from the General Fund to:	
Other Governmental Fund	\$12,476

The transfer was made in order to establish a base in the newly established Sewage Fund.

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Mary Taylor, CPA

Auditor of State

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

Brown County District Board of Health
Brown County
826 Mt. Orab Pike
Georgetown, Ohio 45121

To the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brown County District Board of Health, Brown County, Ohio (the Health District), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated June 29, 2009, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. 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 District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Health District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Health District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Health District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Health District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Health District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted certain matters that we reported to the Health District's management in a separate letter dated June 29, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Health 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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 29, 2009

**BROWN COUNTY DISTRICT BOARD OF HEALTH
BROWN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Material Noncompliance

Ohio Rev. Code Section 3709.28 establishes budgetary requirements for General Health Districts, which are similar to certain Ohio Rev. Code Chapter 5705 budgetary requirements. On or about the first Monday of April the district 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 board of health may, by resolution, transfer funds 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.

The District appropriated in excess of estimated resources in the following funds:

Year	Fund	Total Certified		
		Receipts	Appropriations	Variance
2008	General	\$ 443,203	\$ 476,060	\$ (32,857)
2008	Sewage	78,762	102,957	(24,195)

This resulted from the District not appropriately monitoring budgetary status and could result in overspending of District Funds. We recommend the District monitor appropriations as compared to estimated resources.

In addition, there were changes in estimated receipts and as a result several funds had appropriations exceeding actual resources (i.e. beginning unencumbered fund balance plus actual receipts); however none of these funds had negative fund balances at year end.

Year	Fund	Beginning	Actual	Total	Final	Variance
		Unencumbered Fund Balance	Receipts	Actual Resources	Appropriations	
2008	General	\$ 78,203	\$ 362,984	\$ 441,187	\$ 476,060	\$ (34,873)
2008	Sewage	10,762	90,115	100,877	102,957	(2,080)
2007	General	169,060	407,489	576,549	611,068	(34,519)
2007	Water System	1,295	1,628	2,923	3,195	(272)
2007	Public Health Infrastructure Grant	15,704	88,172	103,876	129,180	(25,304)
2007	Sewage	-	41,764	41,764	50,000	(8,236)

Failure to monitor actual results and amend appropriations and estimated resources accordingly may result in the District incurring obligations that exceed their available resources. We recommend that the District monitor their budgeted and actual resources and appropriations.

OFFICIALS' RESPONSE: We did not receive a response from officials to this finding.

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**BROWN COUNTY DISTRICT BOARD OF HEALTH
BROWN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	ORC 3709.28, appropriations exceeded estimated resources.	No	Repeated in Finding Number 2008-001



Mary Taylor, CPA
Auditor of State

BROWN COUNTY DISTRICT BOARD OF HEALTH

BROWN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 14, 2009**