



**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2009



Mary Taylor, CPA
Auditor of State

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets – Cash Basis	9
Statement of Activities – Cash Basis	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	11
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds	12
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis – General Fund	13
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis – Lead Prevention Program Fund.....	14
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis – Public Health Infrastructure	15
Statement of Fiduciary Assets and Liabilities – Cash Basis - Agency Fund	16
Notes to the Basic Financial Statements	17
Federal Awards Expenditures Schedule	29
Notes to the Federal Awards Expenditures Schedule	31
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	33
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	35
Schedule of Findings.....	37
Schedule of Prior Audit Findings.....	40

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Cuyahoga County District Board of Health
Cuyahoga County
5550 Venture Drive
Parma, Ohio 44130

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District), as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 Cuyahoga County District Board of Health, Cuyahoga County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Lead Prevention Program Fund and Public Health Infrastructure Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2010, 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.

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.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Mary Taylor, CPA
Auditor of State

September 20, 2010

Cuyahoga County District Board of Health
Cuyahoga County

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

This discussion and analysis of the Cuyahoga County District Board of Health (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2009 within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2009 are as follows:

- Net assets of governmental activities increased \$1,312,519 or 32.89 percent from 2008 to 2009.
- The District's general receipts are primarily grants and property taxes.

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 District's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the 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 basic 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 District has elected to present its financial statements on cash basis of accounting per Auditor of State Bulletin 2006-002 and GASB Statement No. 34. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

Cuyahoga County District Board of Health
Cuyahoga County

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. 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 cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the 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 District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well, such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property tax and local government support.

In the statement of net assets and the statement of activities, the District reports:

All of the District's programs and basic services are reported as governmental activities including administration, environmental health, nursing, community health, epidemiology, surveillance and informatics, and capital outlay. Grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The 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. Most of the District's activities are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods.

Governmental Funds. All of the District's activities are reported in governmental funds. The governmental funds financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The 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 District's major governmental funds are the general, lead prevention program and public health infrastructure funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Cuyahoga County District Board of Health
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The District as a Whole

Table 1 provides a comparison of the District's net assets for 2009 compared to 2008 on a cash basis:

TABLE 1
Statement of Net Assets

	Governmental Activities	
	2009	2008
Assets		
Equity in Pooled Cash and Cash Equivalents	\$5,303,488	\$3,990,969
 Net Assets		
Restricted for:		
Mold and Moisture	\$163,769	\$163,769
Breast and Cervical Cancer Prevention	39,819	186,558
Tobacco Reduction	143,057	209,852
Other Purposes	2,019,646	776,957
Unrestricted	2,937,197	2,653,833
	\$5,303,488	\$3,990,969

As mentioned previously, net assets of governmental activities increased \$1,312,519 or 32.89 percent during 2009. This increase is due primarily to the timing of reimbursement for various grants and the increase in funding for H1N1 activities in the Public Health Emergency Preparedness and Response grants.

Cuyahoga County District Board of Health
Cuyahoga County

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 2 reflects the changes in net assets in 2009 and 2008. A comparative analysis of government-wide data has been presented for years 2009 and 2008.

TABLE 2
Changes in Net Assets

	Governmental Activities		
	2009	2008	Difference
Receipts			
Program Receipts:			
Charges for Services and Sales	\$6,387,417	\$6,791,144	(\$403,727)
Operating Grants and Contributions	11,232,279	10,414,070	818,209
<i>Total Program Receipts</i>	<u>17,619,696</u>	<u>17,205,214</u>	<u>414,482</u>
General Receipts:			
Property Taxes	3,278,828	3,122,235	156,593
Grants and Entitlements not Restricted to Specific Programs	826,762	797,706	29,056
Other	662,508	636,165	26,343
<i>Total General Receipts</i>	<u>4,768,098</u>	<u>4,556,106</u>	<u>211,992</u>
<i>Total Receipts</i>	<u>22,387,794</u>	<u>21,761,320</u>	<u>626,474</u>
Program Expenses			
Administration	1,644,705	1,564,902	79,803
Environmental Health	4,518,517	4,714,538	(196,021)
Nursing	4,458,680	4,600,641	(141,961)
Community Health	8,360,717	6,955,660	1,405,057
Epidemiology, Surveillance and Informatics	1,950,156	1,780,919	169,237
Capital Outlay	142,500	244,048	(101,548)
<i>Total Program Expenses</i>	<u>21,075,275</u>	<u>19,860,708</u>	<u>1,214,567</u>
Change in Net Assets	1,312,519	1,900,612	(588,093)
Net Assets, Beginning of Year	<u>3,990,969</u>	<u>2,090,357</u>	<u>1,900,612</u>
Net Assets, End of Year	<u>\$5,303,488</u>	<u>\$3,990,969</u>	<u>\$1,312,519</u>

Program receipts of \$17,619,696 in 2009 and \$17,205,214 in 2008 are primarily comprised of grants, environmental permits, fees and licenses, and charges for immunizations, lead testing, health assessments and health education or promotion and seminars. The increase of \$414,482 in program receipts is primarily due to increases in grants.

General receipts represent 21.30 percent of total receipts in 2009 and 20.94 percent of 2008 receipts. Property taxes make up 14.65 and 14.35 percent of total receipts in 2009 and 2008, respectively.

The majority of disbursements come from environmental health, nursing and community health expenses. These three make up 82.27 percent of expenses in 2009 and 81.92 percent of expenses in 2008.

Cuyahoga County District Board of Health
Cuyahoga County

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for District health programs. 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 District that must be used to provide a specific service. The Net Receipts (Disbursements) and Changes in Net Assets 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 taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

The District's Funds

Total governmental funds had receipts of \$22,387,794, and disbursements of \$21,075,275, for 2009 and receipts of \$21,761,320, and disbursements of \$19,860,708 for 2008. From 2008 to 2009, the fund balance of the general fund increased \$730,345 as the result of more expenditures being covered by grants from other funds.

General Fund Budgeting Highlights

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

General fund original receipts were budgeted at \$10,579,557 and final receipts were budgeted at \$10,993,915 while actual receipts were \$11,156,029 for 2009. Original disbursements were budgeted at \$10,642,057, and final disbursements were budgeted at \$14,533,915 while actual disbursements were \$10,425,684 for 2009. Actual receipts were higher than the final budgeted receipts mainly due to increases in fines, licenses and permits, and other revenues. Actual disbursements were lower than final budgeted disbursements due to less expenditure than planned, namely administration, environmental, nursing and capital outlay.

Debt and Capital Assets

The District currently has no outstanding debt. The District has chosen not to present capital assets as part of its financial statements. The District does, however, track their capital assets even though they are not presented.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding.

Cuyahoga County District Board of Health
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Judy Wirsching, Chief Fiscal Officer, Cuyahoga County District Board of Health, 5550 Venture Drive, Parma, Ohio 44130.

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Net Assets - Cash Basis
December 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,303,488
 Net Assets	
Restricted for:	
Immunization Action Plan	\$33,750
Mold and Moisture	163,769
Public Health Infrastructure	1,459,950
Breast And Cervical Cancer Prevention	39,819
Tobacco Reduction	143,057
Other Purposes	525,946
Unrestricted	2,937,197
<i>Total Net Assets</i>	\$5,303,488

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Receipts			Net Receipts (Disbursements) and Changes in Net Assets
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Administration	\$1,644,705	\$0	\$1,250	(\$1,643,455)
Environmental Health	4,518,517	3,874,804	146,990	(496,723)
Nursing	4,458,680	2,463,453	925,271	(1,069,956)
Community Health	8,360,717	49,160	7,236,866	(1,074,691)
Epidemiology, Surveillance and Informatics	1,950,156	0	2,921,902	971,746
Capital Outlay	142,500	0	0	(142,500)
<i>Total Governmental Activities</i>	<u>\$21,075,275</u>	<u>\$6,387,417</u>	<u>\$11,232,279</u>	<u>(\$3,455,579)</u>
		General Receipts		
		Property Taxes Levied for General Health District Purposes		3,278,828
		Grants and Entitlements not Restricted to Specific Programs		826,762
		Other		662,508
		<i>Total General Receipts</i>		<u>4,768,098</u>
		Change in Net Assets		1,312,519
		<i>Net Assets, Beginning of Year</i>		<u>3,990,969</u>
		<i>Net Assets, End of Year</i>		<u>\$5,303,488</u>

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	<u>General</u>	<u>Lead Prevention Program</u>	<u>Public Health Infrastructure</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	<u>\$4,703,802</u>	<u>(\$1,353,877)</u>	<u>\$1,459,950</u>	<u>\$493,613</u>	<u>\$5,303,488</u>
Fund Balances					
Reserved for Encumbrances	\$1,617	\$0	\$0	\$0	\$1,617
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	4,702,185	0	0	0	4,702,185
Special Revenue Funds	<u>0</u>	<u>(1,353,877)</u>	<u>1,459,950</u>	<u>493,613</u>	<u>599,686</u>
<i>Total Fund Balances (Deficit)</i>	<u>\$4,703,802</u>	<u>(\$1,353,877)</u>	<u>\$1,459,950</u>	<u>\$493,613</u>	<u>\$5,303,488</u>

See accompanying notes to the basic financial statements.

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Lead Prevention Program	Public Health Infrastructure	Other Governmental Funds	Total Governmental Funds
Receipts					
Property Taxes	\$3,278,828	\$0	\$0	\$0	\$3,278,828
Intergovernmental	826,762	2,322,288	2,143,985	6,764,756	12,057,791
Fines, Licenses and Permits	3,795,718	0	0	0	3,795,718
Charges for Services	2,591,699	0	0	0	2,591,699
Gifts and Contributions	1,250	0	0	0	1,250
Other	661,772	0	0	736	662,508
<i>Total Receipts</i>	<u>11,156,029</u>	<u>2,322,288</u>	<u>2,143,985</u>	<u>6,765,492</u>	<u>22,387,794</u>
Disbursements					
Administration	1,644,705	0	0	0	1,644,705
Environmental Health	4,273,181	0	0	245,336	4,518,517
Nursing	3,353,964	0	0	1,104,716	4,458,680
Community Health	513,390	3,300,427	0	4,546,900	8,360,717
Epidemiology, Surveillance and Informatics	372,297	0	902,508	675,351	1,950,156
Capital Outlay	82,471	17,703	5,358	36,968	142,500
<i>Total Disbursements</i>	<u>10,240,008</u>	<u>3,318,130</u>	<u>907,866</u>	<u>6,609,271</u>	<u>21,075,275</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>916,021</u>	<u>(995,842)</u>	<u>1,236,119</u>	<u>156,221</u>	<u>1,312,519</u>
Other Financing Sources (Uses)					
Transfers In	0	97,759	0	87,917	185,676
Transfers Out	(185,676)	0	0	0	(185,676)
<i>Total Other Financing Sources (Uses)</i>	<u>(185,676)</u>	<u>97,759</u>	<u>0</u>	<u>87,917</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	730,345	(898,083)	1,236,119	244,138	1,312,519
<i>Fund Balances (Deficit), Beginning of Year</i>	<u>3,973,457</u>	<u>(455,794)</u>	<u>223,831</u>	<u>249,475</u>	<u>3,990,969</u>
<i>Fund Balances (Deficit), End of Year</i>	<u><u>\$4,703,802</u></u>	<u><u>(\$1,353,877)</u></u>	<u><u>\$1,459,950</u></u>	<u><u>\$493,613</u></u>	<u><u>\$5,303,488</u></u>

See accompanying notes to the basic financial statements.

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$2,986,286	\$3,278,830	\$3,278,828	(\$2)
Intergovernmental	842,500	905,000	826,762	(78,238)
Fines, Licenses and Permits	3,001,367	3,163,953	3,795,718	631,765
Charges for Services	3,512,813	3,458,382	2,591,699	(866,683)
Gifts and Contributions	0	0	1,250	1,250
Other	236,591	187,750	661,772	474,022
<i>Total Receipts</i>	<u>10,579,557</u>	<u>10,993,915</u>	<u>11,156,029</u>	<u>162,114</u>
Disbursements				
Administration	1,423,094	4,558,698	1,644,705	2,913,993
Environmental Health	4,411,862	4,650,889	4,273,181	377,708
Nursing	3,732,709	3,762,165	3,353,964	408,201
Community Health	442,871	486,052	513,390	(27,338)
Epidemiology, Surveillance and Informatics	128,966	138,319	372,297	(233,978)
Capital Outlay	228,378	738,981	82,471	656,510
<i>Total Disbursements</i>	<u>10,367,880</u>	<u>14,335,104</u>	<u>10,240,008</u>	<u>4,095,096</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>211,677</u>	<u>(3,341,189)</u>	<u>916,021</u>	<u>4,257,210</u>
Other Financing Sources (Uses)				
Transfers Out	(274,177)	(198,811)	(185,676)	13,135
<i>Total Other Financing Sources (Uses)</i>	<u>(274,177)</u>	<u>(198,811)</u>	<u>(185,676)</u>	<u>13,135</u>
<i>Net Change in Fund Balances</i>	(62,500)	(3,540,000)	730,345	4,270,345
Prior Year Encumbrances Appropriated	1,617	1,617	1,617	0
<i>Fund Balances, Beginning of Year</i>	<u>3,971,840</u>	<u>3,971,840</u>	<u>3,971,840</u>	<u>(0)</u>
<i>Fund Balances, End of Year</i>	<u>\$3,910,957</u>	<u>\$433,457</u>	<u>\$4,703,802</u>	<u>\$4,270,345</u>

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Lead Prevention Program Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$6,652,781	\$6,589,891	\$2,322,288	(\$4,267,603)
Other	18,600	18,300	0	(18,300)
<i>Total Receipts</i>	<u>6,671,381</u>	<u>6,608,191</u>	<u>2,322,288</u>	<u>(4,285,903)</u>
Disbursements				
Community Health	7,182,824	7,123,493	3,300,427	3,823,066
Capital Outlay	76,363	72,504	17,703	54,801
<i>Total Disbursements</i>	<u>7,259,187</u>	<u>7,195,997</u>	<u>3,318,130</u>	<u>3,877,867</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(587,806)</u>	<u>(587,806)</u>	<u>(995,842)</u>	<u>(408,036)</u>
Other Financing Sources (Uses)				
Transfers In	135,833	135,833	97,759	(38,074)
<i>Total Other Financing Sources (Uses)</i>	<u>135,833</u>	<u>135,833</u>	<u>97,759</u>	<u>(38,074)</u>
<i>Net Change in Fund Balances</i>	(451,973)	(451,973)	(898,083)	(446,110)
<i>Fund Balances, (Deficit) Beginning of Year</i>	<u>(455,794)</u>	<u>(455,794)</u>	<u>(455,794)</u>	<u>0</u>
<i>Fund Balances, (Deficit) End of Year</i>	<u>(\$907,767)</u>	<u>(\$907,767)</u>	<u>(\$1,353,877)</u>	<u>(\$446,110)</u>

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Health Infrastructure
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	<u>\$2,329,356</u>	<u>\$2,359,356</u>	<u>\$2,143,985</u>	<u>(\$215,371)</u>
<i>Total Receipts</i>	<u>2,329,356</u>	<u>2,359,356</u>	<u>2,143,985</u>	<u>(215,371)</u>
Disbursements				
Epidemiology, Surveillance and Informatics	2,636,669	2,667,806	902,508	1,765,298
Capital Outlay	<u>44,607</u>	<u>43,470</u>	<u>5,358</u>	<u>38,112</u>
<i>Total Disbursements</i>	<u>2,681,276</u>	<u>2,711,276</u>	<u>907,866</u>	<u>1,803,410</u>
<i>Net Change in Fund Balances</i>	(351,920)	(351,920)	1,236,119	1,588,039
<i>Fund Balances (Deficit), Beginning of Year</i>	<u>223,831</u>	<u>223,831</u>	<u>223,831</u>	<u>(0)</u>
<i>Fund Balances (Deficit), End of Year</i>	<u>(\$128,089)</u>	<u>(\$128,089)</u>	<u>\$1,459,950</u>	<u>\$1,588,039</u>

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Fiduciary Assets and Liabilities- Cash Basis
Agency Fund
December 31, 2009

	<u>Agency</u>
Assets	
Cash and Cash Equivalents in Segregated Accounts	<u>\$28,314</u>
Liabilities	
Deposits Held Due to Others	<u>\$28,314</u>

See accompanying notes to the basic financial statements.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 1 – Description of the District and Reporting Entity

The Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District (general health) administers and enforces, within its jurisdiction, all public health and sanitation laws of the State of Ohio. The District provides public health services for the prevention or restriction of disease. In addition to the required programs, the District adopts regulations and provides programs to enable residents of the District to live in a healthy and environmentally safe community. The District is comprised of 36 cities, 19 villages and two townships within Cuyahoga County representing 886,000 residents. The five-member Board of Trustees is appointed by the District Advisory Council which consists of the President of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of trustees of each township. The Board appoints a Health Commissioner and can hire and fix compensation of employees. The District is dependent upon the County to provide facilities and legal counsel and act as custodian for its funds. The budget is approved by the District which is responsible for fiscal management through its authority to enter into contracts and prepare financial reports. The District is not part of the reporting entity of the County of Cuyahoga.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the Board of Trustees appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations for which the District approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. The District has no component units.

The District participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. This organization is presented in Note 7 to the basic financial statements.

The District's management believes these financial statements present all activities for which the 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 District's accounting policies.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

A. Basis of Presentation

The 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 District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type. 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 District has no business-type activities.

The statement of net assets presents the cash balances of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the 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 District is responsible. 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the 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. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the District are divided into two categories, governmental and fiduciary.

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the District's major governmental funds:

General Fund - 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 District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Lead Prevention Program Fund – This fund receives primarily federal grant money for identifying children six years and under living in Cuyahoga County with elevated blood lead levels, as well as preventing lead poisoning in children.

Public Health Infrastructure Fund – This fund receives federal grant money to assist with developing preparedness for and response to terrorism, pandemic influenza, and other public health emergencies. These emergency preparedness and response are intended to support the National Response Plan (NRP) and the National Incident Management System (NIMS).

The other governmental funds of the District account for the proceeds of federal grants whose uses are restricted to expenditures for specific health related purposes.

Fiduciary Funds

The fiduciary funds category is split into four classifications: pension trust funds, investments trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for deposits held for an employee flexible benefit account.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the 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. Any such modifications made by the District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The appropriations resolution is the District Board's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control set by statute. The legal level of control has been established at the object level for all funds. The County Budget Commission must also approve the annual appropriation measure. Grant funds are appropriated one time and the appropriations carryover from year to year until the grant is closed. For the general fund, unencumbered appropriations lapse at year-end.

ORC Section 5705.28(C)(1) requires the District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the 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.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

ORC Section 3709.28 establishes budgetary requirements for the District, which are similar to ORC 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 District Board 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 submitted to the County Budget Commission when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the changes to the grant awards in effect at the time final appropriations were passed by the District Board.

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 budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District Board during the year.

E. Cash and Investments

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets, except cash held in a segregated account, are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. Individual fund integrity is maintained through the District's records. Deposits and investments disclosures for the County as a whole may be obtained from the County.

The District has a segregated bank account for monies held separate from the County's central bank account. This amount is presented as "cash and cash equivalents in segregated accounts" since it is not required to be deposited into the County treasury.

F. Inventory and Prepaid Items

The District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. 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.

H. 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 District's cash basis of accounting.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

I. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for their 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.

J. Long-Term Obligations

The District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

K. 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. The government-wide statement of net assets reports \$2,366,292 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include resources restricted for special District programs. The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance Reserves

The 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. A fund balance reserve has been established for encumbrances.

M. 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 disbursements to the funds that initially paid for them are not presented in the financial statements.

Cuyahoga County District Board of Health
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, lead prevention program and public health infrastructure special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The encumbrances outstanding at year-end amounted to \$1,617 in the general fund, which were prior year encumbrances.

Note 4 – Accountability

Fund balances at December 31, 2009, included the following individual fund deficits:

Major Fund:

Lead Prevention Program	\$1,353,877
-------------------------	-------------

NonMajor Funds:

Comprehensive Sex Education	106,232
Watershed Program	14,667
Shaken Baby Syndrome	88,313
West Nile Virus	55,400
Non-Point Source Implementation	9,686
Engaging Expectant Fathers	7,762
Prevent Premature Fatherhood	12,978
Strong Start for Cuyahoga Families	1,732
Aging Grant	9,520
Matter of Balance	4,577
Integrated Health	5,428
Enhanced Prenatal	76,420
East Cleveland Health	12,789
OCCRRA	5,081
Place Matters Capacity Building	2,000
Safe Routes to School	147

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

The fund deficits in the above funds resulted from interfund liabilities due to timing issues with the reimbursement of expenses for various federal grants. The general fund is liable for the deficits in these funds and will provide advances when cash is required, not when the liability occurs.

Note 5 – Deposits and Investments

As required by Ohio Revised Code, the Cuyahoga County Auditor is the fiscal agent of the District. The District's cash pool, used by all funds, is deposited with the Cuyahoga County Treasurer. The cash pool is commingled with Cuyahoga County's cash and investment pool and is not identifiable as to demand deposits or investments. All collections are remitted to the Cuyahoga County Treasurer for deposit and all disbursements are made by warrants prepared by the Cuyahoga County Auditor drawn on deposits held in the name of Cuyahoga County. Deposits and deposit risk and investments and investment risk are presented in the December 31, 2009 Cuyahoga County Comprehensive Annual Financial Report. The fund balances are expressed in cash equivalents. Cash equivalents are available for immediate expenditure or liquid investments which are immediately marketable, have negligible credit risk, and mature within three months. The carrying amount of cash on deposit with the Cuyahoga County Treasurer at December 31, 2009 was \$5,301,565. The District also had fully collateralized immunization and flexible benefit checking accounts with year-end balances of \$1,401 and \$28,314, respectively, and petty cash of \$522.

Note 6 – Subdivision Revenue

The cities, villages and townships that receive services from the District, contribute to the operations of the District. The County Auditor assesses each subdivision their share of the operating cost, which is calculated by the District and received through property tax collections. When the County Auditor disburses property tax to the subdivision, the appropriate deduction is made on the subdivision settlement and transmitted to the District.

Note 7 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. The Pool provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. The District can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Property Coverage

The Travelers Indemnity Company reinsures specific losses exceeding \$500,000 up to \$600 million per occurrence. APEEP reinsures members for a specific loss exceeding \$150,000 up to \$500,000 per occurrence, subject to an annual aggregate payment. Travelers provides aggregate stop-loss coverage based upon the combined PEP members' total insurable values. If the stop-loss is reached by payment of losses, Travelers will then reinsure property specific losses in excess of the retention up to their \$600 million per occurrence limit. Additionally APEEP provides an additional aggregate for the \$50,000 excess \$100,000 layer, with the aggregate limit ties to TIV, for the insurance coverage to the Pools.

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

Financial Position

PEP's financial statements reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

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

The District's share of unpaid claims collectible in future years is approximately \$78,020. This payable includes the subsequent year's contribution due if the District terminates participation.

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>Year</u>	<u>Contributions to PEP</u>
2006	\$43,104
2007	41,266
2008	39,194
2009	39,010

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no future obligation to the pool. 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 withdrawal.

The District insures against injuries to employees through the Ohio Bureau of Workers' Compensation. Workers' compensation coverage is provided by the State. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 8 – Defined Benefit Pension Plans

Plan Description - The Cuyahoga County District Board of Health 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. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, 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 pension 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. Interested parties may obtain a copy 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 Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll.

The District's contribution rate for 2009 was 14.0 percent of covered payroll. The District's contribution equal to 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009 in which were allocated to fund the post-employment health care plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the District of 14.0 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations (excluding post-employment benefits) for the years ended December 31, 2009, 2008, and 2007, were \$735,697, \$630,901 and \$714,658, respectively. The full amount has been contributed for 2009, 2008, and 2007.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 9 - Postemployment Benefits

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care 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 post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide other post employment benefits (OPEB) to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The District's contributions allocated to fund postemployment benefits for 2009, 2008 and 2007 were \$536,417, \$630,901 and \$471,597, respectively. Disclosures for the health care plan are presented 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 post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, State and local government employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2009, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009.

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

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, 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 health care plan.

Note 10 – Operating Lease

The District entered into an operating lease with ImagePro, Limited in February 2007, for the purpose of leasing a business color digital copier/printer/fax machine. This is a cancelable lease that is paid quarterly. The District pays \$1,238 per quarter. For 2009, the District paid rental costs of \$3,820.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 11 - Interfund Transfers

Interfund transfers for the year ended December 31, 2009, consisted of the following:

<u>Transfers To</u>	<u>Transfers from General</u>
<i>Major Fund:</i>	
Lead Prevention Program	\$97,759
<i>Major Fund Subtotal</i>	<u>\$97,759</u>
 <i>Nonmajor Governmental Funds:</i>	
Nonpoint Source Implementation	\$1,585
Watershed Program	61,295
Aging Grant	13,547
Matter of Balance	11,490
<i>Nonmajor Governmental Funds Subtotal</i>	<u>\$87,917</u>
 Total	 <u><u>\$185,676</u></u>

The transfers from the general fund to the lead prevention program major fund for \$97,759 and to the non-major special revenue funds for \$87,917 were made to support programs and projects in those funds.

Cuyahoga County District Board of Health
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

(This Page Intentionally Left Blank)

CUYAHOGA COUNTY BOARD OF HEALTH
CUYAHOGA COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	EXPENDITURES
U.S. Department of Health and Human Services			
<i>Passed Through the State Department of Health:</i>			
Breast & Cervical Cancer Project			
08/09 Breast & Cervical Cancer Project	93.283	01810014BC0209	\$ 115,658
09/10 Breast & Cervical Cancer Project	93.283	01810014BC0210	114,514
Total Breast & Cervical Cancer Project			<u>230,172</u>
Immunization Action Plan			
2008 Immunization Action Plan	93.268	01810012IM0108	91,394
2009 Immunization Action Plan	93.268	01810012IM0109	301,588
Total Immunization Action Plan			<u>392,982</u>
Maternal and Child Health Services Block Grants to States			
08/09 OPTIONS Regional Referral	93.994	01810011DO0209	7,494
09/10 OPTIONS Regional Referral	93.994	01810011DO0210	2,926
08/09 Child Family Health Services Program	93.994	01810011MC0209	681,006
09/10 Child Family Health Services Program	93.994	01810011MC0310	229,465
Total Maternal and Child Health Services Block Grants to States			<u>920,891</u>
09/10 OPTIONS Regional Referral	93.236	01810011DO0210	8,012
Preventive Health and Health Services Block Grant			
2008 Cardiovascular Health	93.991	01810014CH0208	42,860
2009 Cardiovascular Health	93.991	01810014CH0209	144,960
2009 Injury Prevention	93.991	01810014IP0209	36,582
Total Preventive Health and Health Services Block Grant			<u>224,402</u>
08/09 CDC Lead Program	93.197	01810011LD0209	40,542
Public Health Emergency Preparedness			
08/09 Pandemic Influenza Initiative B	93.069	01810012BP0109	157,681
08/09 Public Health Infrastructure	93.069	01810012PI0109	566,310
09/10 Public Health Emergency Preparedness	93.069	01810012PH0110	341,555
2008/2009 Cities Readiness Initiative (CRI)	93.069	N/A	461,038
Total Public Health Emergency Preparedness			<u>1,526,584</u>
<i>Passed Through the National Association of County and City Health Officials:</i>			
2008 NACCHO Medical Reserve Corps	93.008	N/A	1,226
<i>Passed Through the Agency for Toxic Substances and Disease Registry:</i>			
East Cleveland Health & Development Initiative			
08/09 East Cleveland Health & Development Initiative	93.161	N/A	56,232
09/10 East Cleveland Health & Development Initiative	93.161	N/A	16,165
Total East Cleveland Health & Development Initiative			<u>72,397</u>
Total U.S. Department of Health and Human Services			3,417,208
U.S. Department of Housing and Urban Development			
<i>Direct Programs:</i>			
07/10 Lead-Based Paint Hazard Control In Housing	14.900	N/A	1,040,360
06/09 Healthy Homes Demonstration	14.901	N/A	473,678
2007/2010 Lead Hazard Reduction	14.905	N/A	1,347,206
Total U.S. Department of Housing and Urban Development			2,861,244

CUYAHOGA COUNTY BOARD OF HEALTH
 CUYAHOGA COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE (CONT'D.)
 FOR THE YEAR ENDED DECEMBER 31, 2009

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY NUMBER</u>	<u>EXPENDITURES</u>
U.S. Environmental Protection Agency			
<i>Passed Through the State Environmental Protection Agency:</i>			
Nonpoint Source Implementation Grants			
06/09 Nonpoint Source Implementation	66.460	C9975500006	24,775
09/12 Nonpoint Source Implementation	66.460	C9975500009	9,685
08/09 Nonpoint Source Implementation Supplemental	66.460	C9-975500006-0	13,705
Total Nonpoint Source Implementation Grants			<u>48,165</u>
Tinkers Creek Wetland Survey			
07/08 Tinkers Creek Wetland Survey	66.461	CD-00E20501-0	1,030
09/11 Tinkers Creek Wetland Survey	66.461	CD-00E70601-0	15,253
Total Tinkers Creek Wetland Survey			<u>16,283</u>
<i>Passed Through the State Department of Health:</i>			
2009 Bathing Beaches	66.472	N/A	<u>45,638</u>
Total U.S. Environmental Protection Agency			110,086
National Oceanic and Atmospheric Administration			
<i>Passed Through the State Department of Natural Resources:</i>			
2007/2010 ODNR Tinkers Creek	66.460	N/A	<u>37,728</u>
Total National Oceanic and Atmospheric Administration			37,728
Department of Transportation			
<i>Passed Through the State Department of Transportation:</i>			
09/10 Safe Routes to School	20.205	22468	<u>147</u>
Total Department of Transportation			147
TOTAL FEDERAL AWARDS EXPENDITURES			<u><u>\$6,426,413</u></u>

The accompanying notes are an integral part of this schedule.

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

The District passes certain federal awards received from the State Department of Health, State Environmental Protection Agency, and the U.S. Department of Health and Human Services to other governments or not-for-profit agencies (subrecipients). As Note A describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE C - MATCHING REQUIREMENTS

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

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable.

This page intentionally left blank.



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*

Cuyahoga County District Board of Health
Cuyahoga County
5550 Venture Drive
Parma, Ohio 44130

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 20, 2010, 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 District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and 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 we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

September 20, 2010



Mary Taylor, CPA

Auditor of State

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

Cuyahoga County District Board of Health
Cuyahoga County
5550 Venture Drive
Parma, Ohio 44130

To the Board of Trustees:

Compliance

We have audited the compliance of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Cuyahoga County District Board of Health complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

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

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

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

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



Mary Taylor, CPA
Auditor of State

September 20, 2010

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Immunization Action Plan – CFDA #93.268 Lead-Based Paint Hazard Control in Housing – CFDA #14.900 Healthy Homes Demonstration – CFDA #14.901 Lead Hazard Reduction – CFDA #14.905
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009
(Continued)**

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

FINDING NUMBER 2009-01

Noncompliance – Certification of Availability of Funds

Ohio Rev. Code Section 5705.41 (D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has 30 days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not extended beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009
(Continued)

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

FINDING NUMBER 2009-01 (Continued)

Noncompliance – Certification of Availability of Funds (Continued)

17 of 25 transactions tested (68%) were not certified by the fiscal officer at the time the commitment was incurred and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the fiscal officer certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used.

We recommend the District certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code to reduce the available appropriation.

Official's Response: The District acknowledges the finding and recommendation from the Auditor of State's Office. There are purchase orders for Board approved contracts and the District is planning on getting procedures in place for all other expenditures.

3. FINDINGS FOR FEDERAL AWARDS

None.

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
December 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Certification of Availability of Funds – Ohio Rev. Code Section 5705.41(D)(1). Expenditures were not Certified by the fiscal officer at the time the commitment was incurred.	No	Reissued as Schedule of Findings item 2009-001



Mary Taylor, CPA
Auditor of State

CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH

CUYAHOGA 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
SEPTEMBER 30, 2010**