



Mary Taylor, CPA
Auditor of State

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

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WASHINGTON COUNTY**

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WASHINGTON COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

District Board of Health
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Board of Health, Washington County, Ohio (the Health District), as of and for the years ended December 31, 2009 and 2008, 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 District Board of Health, Washington County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Public Health Nursing, Cardiovascular Health, Public Health Infrastructure, Dental Clinic, Public Health Emergency Preparedness, Public Health Emergency Response and Obesity Grant 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 September 9, 2010, 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.

The Health District has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

We conducted our audit to opine on the financial statements that collectively comprise the Health District's basic financial statements. The Federal Awards Expenditures 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 not a required part of the basic financial statements. We subjected the Federal Awards Expenditures 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

September 9, 2010

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 225,783
<i>Total Assets</i>	<u><u>\$ 225,783</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 200,952
Unrestricted	<u>24,831</u>
<i>Total Net Assets</i>	<u><u>\$ 225,783</u></u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

		Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
Administration	\$ 159,622	\$	\$	\$ (159,622)
Cardiovascular Health	273,532	15	199,000	(74,517)
Environmental	158,032	120,984	1,898	(35,150)
Nursing	249,622	185,842	4,548	(59,232)
Plumbing	35,467	34,318		(1,149)
Preparedness	243,561		325,075	81,514
Dental Sealant	39,565	6,072	37,500	4,007
Dental Clinic	305,244	199,066	85,087	(21,091)
Vital Statistics	28,273	21,338	248	(6,687)
<i>Total Governmental Activities</i>	<u>\$ 1,492,918</u>	<u>\$ 567,635</u>	<u>\$ 653,356</u>	<u>(271,927)</u>
General Receipts				
				237,076
				253
				<u>237,329</u>
				Change in Net Assets (34,598)
				<u>Net Assets Beginning of Year 260,381</u>
				<u>Net Assets End of Year \$ 225,783</u>

See accompanying notes to the basic financial statements

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**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Public Health Nursing</u>	<u>Cardiovascular Health</u>	<u>Public Health Infrastructure</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 24,831	\$ 51,973	\$ 8,532	\$
<i>Total Assets</i>	<u>\$ 24,831</u>	<u>\$ 51,973</u>	<u>\$ 8,532</u>	<u>\$ 0</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$ 7,091	\$ 2,028	\$ 6,794	\$
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	17,740			
Special Revenue Funds		49,945	1,738	
<i>Total Fund Balances</i>	<u>\$ 24,831</u>	<u>\$ 51,973</u>	<u>\$ 8,532</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

<u>Dental Clinic</u>	<u>Public Health Emergency Preparedness</u>	<u>Public Health Emergency Response</u>	<u>Obesity Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 10,599	\$ 36,862	\$ 30,102	\$ 139	\$ 62,745	\$ 225,783
<u>\$ 10,599</u>	<u>\$ 36,862</u>	<u>\$ 30,102</u>	<u>\$ 139</u>	<u>\$ 62,745</u>	<u>\$ 225,783</u>
\$ 1,510	\$ 2,846	\$ 6,826	\$	\$ 1,620	\$ 28,715
9,089	34,016	23,276	139	61,125	17,740
<u>\$ 10,599</u>	<u>\$ 36,862</u>	<u>\$ 30,102</u>	<u>\$ 139</u>	<u>\$ 62,745</u>	<u>\$ 225,783</u>

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Public Health Nursing	Cardiovascular Health	Public Health Infrastructure
Cash Receipts				
Intergovernmental	\$ 239,222	\$ 18,736	\$ 198,000	\$ 114,192
Fines, Licenses and Permits	3,035			
Charges for Services	21,338	166,960		
Miscellaneous	253	4,694		
<i>Total Cash Receipts</i>	<u>263,848</u>	<u>190,390</u>	<u>198,000</u>	<u>114,192</u>
Cash Disbursements				
Current:				
Administration	133,196	8,477	2,264	2,340
Cardiovascular Health	4		197,543	
Environmental Health	58,167			
Nursing	38,795	169,266		30,824
Plumbing	3,033			
Preparedness	4			110,796
Dental Sealant	322			
Dental Clinic		4,548		
Vital Statistics	28,273			
<i>Total Cash Disbursements</i>	<u>261,794</u>	<u>182,291</u>	<u>199,807</u>	<u>143,960</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>2,054</u>	<u>8,099</u>	<u>(1,807)</u>	<u>(29,768)</u>
Other Financing Sources (Uses)				
Other Financing Sources	75,000			
Advances In	63,000	1,000	2,500	28,400
Other Financing Uses	(75,000)			
Advances Out	(75,500)	(1,000)	(2,500)	(28,400)
<i>Total Other Financing Sources (Uses)</i>	<u>(12,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(10,446)	8,099	(1,807)	(29,768)
<i>Fund Balances Beginning of Year</i>	<u>35,277</u>	<u>43,874</u>	<u>10,339</u>	<u>29,768</u>
<i>Fund Balances End of Year</i>	<u>\$ 24,831</u>	<u>\$ 51,973</u>	<u>\$ 8,532</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

Dental Clinic	Public Health Emergency Preparedness	Public Health Emergency Response	Obesity Grant	Other Governmental Funds	Total Governmental Funds
\$ 85,000	\$ 92,066	\$ 113,818	\$ 1,000	\$ 37,588	\$ 899,622
				132,115	135,150
199,065				31,151	418,514
87					5,034
<u>284,152</u>	<u>92,066</u>	<u>113,818</u>	<u>1,000</u>	<u>200,854</u>	<u>1,458,320</u>
5,296	452		1,260	6,337	159,622
			73,100	2,885	273,532
				99,865	158,032
4,547	6,190				249,622
				32,434	35,467
	48,562	83,731		468	243,561
				39,243	39,565
300,696					305,244
					28,273
<u>310,539</u>	<u>55,204</u>	<u>83,731</u>	<u>74,360</u>	<u>181,232</u>	<u>1,492,918</u>
(26,387)	36,862	30,087	(73,360)	19,622	(34,598)
					75,000
32,500	11,100				138,500
(20,000)	(11,100)				(75,000)
					(138,500)
<u>12,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(13,887)	36,862	30,087	(73,360)	19,622	(34,598)
<u>24,486</u>	<u>0</u>	<u>15</u>	<u>73,499</u>	<u>43,123</u>	<u>260,381</u>
<u>\$ 10,599</u>	<u>\$ 36,862</u>	<u>\$ 30,102</u>	<u>\$ 139</u>	<u>\$ 62,745</u>	<u>\$ 225,783</u>

**DISTRICT BOARD OF HEALTH
WASHINGTON 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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 237,000	\$ 239,222	\$ 239,222	\$ 0
Fines, Licenses and Permits	1,930	2,928	3,035	107
Charges for Services	23,180	21,235	21,338	103
Miscellaneous	2,000	(1,000)	253	1,253
<i>Total Receipts</i>	<u>264,110</u>	<u>262,385</u>	<u>263,848</u>	<u>1,463</u>
Disbursements				
Current:				
Administration	253,310	257,078	137,458	119,620
Cardiovascular Health			4	(4)
Environmental			58,167	(58,167)
Nursing			38,795	(38,795)
Plumbing			3,033	(3,033)
Preparedness			4	(4)
Dental Sealant			322	(322)
Vital Statistics	10,800	11,150	31,102	(19,952)
<i>Total Disbursements</i>	<u>264,110</u>	<u>268,228</u>	<u>268,885</u>	<u>(657)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>(5,843)</u>	<u>(5,037)</u>	<u>806</u>
Other Financing Sources (Uses)				
Other Financing Sources			75,000	75,000
Advances In		138,000	63,000	(75,000)
Other Financing Uses			(75,000)	(75,000)
Advances Out		(150,500)	(75,500)	75,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(12,500)</u>	<u>(12,500)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>0</u>	<u>(18,343)</u>	<u>(17,537)</u>	<u>806</u>
Prior Year Encumbrances Appropriated	6,942	6,942	6,942	0
<i>Fund Balances Beginning of Year</i>	<u>28,335</u>	<u>28,335</u>	<u>28,335</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 35,277</u>	<u>\$ 16,934</u>	<u>\$ 17,740</u>	<u>\$ 806</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 60,000	\$ 71,000	\$ 18,736	\$ (52,264)
Charges for Services	112,000	112,600	166,960	54,360
Miscellaneous		4,710	4,694	(16)
<i>Total Receipts</i>	<u>172,000</u>	<u>188,310</u>	<u>190,390</u>	<u>2,080</u>
Disbursements				
Current:				
Nursing	172,000	181,320	171,294	10,026
Dental Clinic			4,548	(4,548)
Administration			8,477	(8,477)
<i>Total Disbursements</i>	<u>172,000</u>	<u>181,320</u>	<u>184,319</u>	<u>(2,999)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>6,990</u>	<u>6,071</u>	<u>(919)</u>
Other Financing Sources (Uses)				
Advances In		1,000	1,000	0
Advances Out		(1,000)	(1,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	6,990	6,071	(919)
Prior Year Encumbrances Appropriated	3,606	3,606	3,606	0
<i>Fund Balances Beginning of Year</i>	<u>40,268</u>	<u>40,268</u>	<u>40,268</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 43,874</u>	<u>\$ 50,864</u>	<u>\$ 49,945</u>	<u>\$ (919)</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CARDIOVASCULAR HEALTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 198,000	\$ 198,000	\$ 198,000	\$ 0
<i>Total Receipts</i>	<u>198,000</u>	<u>198,000</u>	<u>198,000</u>	<u>0</u>
Disbursements				
Current:				
Cardiovascular Health	196,724	196,724	204,337	(7,613)
Administration	<u>1,276</u>	<u>1,276</u>	<u>2,264</u>	<u>(988)</u>
<i>Total Disbursements</i>	<u>198,000</u>	<u>198,000</u>	<u>206,601</u>	<u>(8,601)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>0</u>	<u>(8,601)</u>	<u>(8,601)</u>
Other Financing Sources (Uses)				
Advances In		2,500	2,500	0
Advances Out		<u>(2,500)</u>	<u>(2,500)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	(8,601)	(8,601)
Prior Year Encumbrances Appropriated	7,574	7,574	7,574	0
<i>Fund Balances Beginning of Year</i>	<u>2,765</u>	<u>2,765</u>	<u>2,765</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 10,339</u>	<u>\$ 10,339</u>	<u>\$ 1,738</u>	<u>\$ (8,601)</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON 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, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 114,192	\$ 114,192	\$ 114,192	\$ 0
<i>Total Receipts</i>	<u>114,192</u>	<u>114,192</u>	<u>114,192</u>	<u>0</u>
Disbursements				
Current:				
Administration	2,436	2,436	2,340	96
Nursing	34,365	34,365	30,824	3,541
Preparedness	<u>101,592</u>	<u>101,591</u>	<u>110,796</u>	<u>(9,205)</u>
<i>Total Disbursements</i>	<u>138,393</u>	<u>138,392</u>	<u>143,960</u>	<u>(5,568)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(24,201)</u>	<u>(24,200)</u>	<u>(29,768)</u>	<u>(5,568)</u>
Other Financing Sources (Uses)				
Advances In		28,400	28,400	0
Advances Out		<u>(28,400)</u>	<u>(28,400)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(24,201)	(24,200)	(29,768)	(5,568)
Prior Year Encumbrances Appropriated	5,568	5,568	5,568	0
<i>Fund Balances Beginning of Year</i>	<u>24,200</u>	<u>24,200</u>	<u>24,200</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,567</u>	<u>\$ 5,568</u>	<u>\$ 0</u>	<u>\$ (5,568)</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
DENTAL CLINIC FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 285,000	\$ 270,000	\$ 85,000	\$ (185,000)
Charges for Services	30,000	30,000	199,065	169,065
Miscellaneous		87	87	0
<i>Total Receipts</i>	<u>315,000</u>	<u>300,087</u>	<u>284,152</u>	<u>(15,935)</u>
Disbursements				
Current:				
Administration			5,296	(5,296)
Nursing		4,547	4,547	0
Dental Clinic	315,000	300,438	302,206	(1,768)
<i>Total Disbursements</i>	<u>315,000</u>	<u>304,985</u>	<u>312,049</u>	<u>(7,064)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>(4,898)</u>	<u>(27,897)</u>	<u>(22,999)</u>
Other Financing Sources (Uses)				
Advances In		32,500	32,500	0
Advances Out		(20,000)	(20,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>12,500</u>	<u>12,500</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	7,602	(15,397)	(22,999)
Prior Year Encumbrances Appropriated	6,893	6,893	6,893	0
<i>Fund Balances Beginning of Year</i>	<u>17,593</u>	<u>17,593</u>	<u>17,593</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 24,486</u>	<u>\$ 32,088</u>	<u>\$ 9,089</u>	<u>\$ (22,999)</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH EMERGENCY PREPAREDNESS FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$	\$ 92,066	\$ 92,066	\$ 0
<i>Total Receipts</i>	0	92,066	92,066	0
Disbursements				
Current:				
Nursing			6,190	(6,190)
Preparedness		60,534	51,408	9,126
Administration			452	(452)
<i>Total Disbursements</i>	0	60,534	58,050	2,484
<i>Excess of Receipts Over (Under) Disbursements</i>	0	31,532	34,016	2,484
Other Financing Sources (Uses)				
Advances In		11,100	11,100	0
Advances Out		(11,100)	(11,100)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	0	31,532	34,016	2,484
<i>Fund Balances Beginning of Year</i>	0	0	0	0
<i>Fund Balances End of Year</i>	\$ 0	\$ 31,532	\$ 34,016	\$ 2,484

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH EMERGENCY RESPONSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$	\$ 113,818	\$ 113,818	\$ 0
<i>Total Receipts</i>	<u>0</u>	<u>113,818</u>	<u>113,818</u>	<u>0</u>
Disbursements				
Current:				
Preparedness		90,767	90,557	210
<i>Total Disbursements</i>	<u>0</u>	<u>90,767</u>	<u>90,557</u>	<u>210</u>
<i>Net Change in Fund Balances</i>	0	23,051	23,261	210
<i>Fund Balances Beginning of Year</i>	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 15</u>	<u>\$ 23,066</u>	<u>\$ 23,276</u>	<u>\$ 210</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
OBESITY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$	\$ 1,000	\$ 1,000	\$ 0
<i>Total Receipts</i>	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Disbursements				
Current:				
Administration			1,260	(1,260)
Cardiovascular Health		74,361	73,100	1,261
<i>Total Disbursements</i>	<u>0</u>	<u>74,361</u>	<u>74,360</u>	<u>1</u>
<i>Net Change in Fund Balances</i>	0	(73,361)	(73,360)	1
<i>Fund Balances Beginning of Year</i>	<u>73,499</u>	<u>73,499</u>	<u>73,499</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 73,499</u>	<u>\$ 138</u>	<u>\$ 139</u>	<u>\$ 1</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 260,381
<i>Total Assets</i>	\$ 260,381
Net Assets	
Restricted for:	
Other Purposes	\$ 225,104
Unrestricted	35,277
<i>Total Net Assets</i>	\$ 260,381

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Administration	\$ 176,413	\$	\$	\$ (176,413)
Cardiovascular Health	207,582	765	272,000	65,183
Environmental	149,727	116,296		(33,431)
Nursing	244,873	164,136	1,100	(79,637)
Plumbing	33,596	30,230		(3,366)
Preparedness	188,015	574	237,766	50,325
Dental Sealant	44,553	11,783	33,500	730
Dental Clinic	315,935	219,388	75,000	(21,547)
Vital Statistics	32,488	24,188		(8,300)
<i>Total Governmental Activities</i>	<u>\$ 1,393,182</u>	<u>\$ 567,360</u>	<u>\$ 619,366</u>	<u>(206,456)</u>
General Receipts				
Grants and Entitlements not Restricted to Specific Programs				237,766
Miscellaneous				2,675
<i>Total General Receipts</i>				<u>240,441</u>
Change in Net Assets				33,985
<i>Net Assets Beginning of Year</i>				<u>226,396</u>
<i>Net Assets End of Year</i>				<u>\$ 260,381</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	<u>General</u>	<u>Public Health Nursing</u>	<u>Cardiovascular Health</u>	<u>Public Health Infrastructure</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 35,277	\$ 43,874	\$ 10,339	\$ 29,768
<i>Total Assets</i>	<u>\$ 35,277</u>	<u>\$ 43,874</u>	<u>\$ 10,339</u>	<u>\$ 29,768</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$ 6,942	\$ 3,606	\$ 7,574	\$ 5,568
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	28,335			
Special Revenue Funds		40,268	2,765	24,200
<i>Total Fund Balances</i>	<u>\$ 35,277</u>	<u>\$ 43,874</u>	<u>\$ 10,339</u>	<u>\$ 29,768</u>

See accompanying notes to the basic financial statements

<u>Dental Clinic</u>	<u>Public Health Emergency Response</u>	<u>Obesity Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 24,486	\$ 15	\$ 73,499	\$ 43,123	\$ 260,381
<u>\$ 24,486</u>	<u>\$ 15</u>	<u>\$ 73,499</u>	<u>\$ 43,123</u>	<u>\$ 260,381</u>
\$ 6,893	\$	\$	\$ 955	\$ 31,538
17,593	15	73,499	42,168	28,335
<u>\$ 24,486</u>	<u>\$ 15</u>	<u>\$ 73,499</u>	<u>\$ 43,123</u>	<u>\$ 260,381</u>

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Public Health Nursing	Cardiovascular Health	Public Health Infrastructure
Cash Receipts				
Intergovernmental	\$ 238,856	\$ 14,240	\$ 198,000	\$ 84,192
Fines, Licenses and Permits	3,080			
Charges for Services	23,959	149,896		
Miscellaneous	2,393	1,382		
<i>Total Cash Receipts</i>	<u>268,288</u>	<u>165,518</u>	<u>198,000</u>	<u>84,192</u>
Cash Disbursements				
Current:				
Administration	148,252	12,951	1,527	680
Cardiovascular Health			199,503	
Environmental Health	44,282			
Nursing	47,812	175,212		11,755
Plumbing	200			
Preparedness	239			41,990
Dental Sealant	107			
Dental Clinic				
Vital Statistics	32,488			
<i>Total Cash Disbursements</i>	<u>273,380</u>	<u>188,163</u>	<u>201,030</u>	<u>54,425</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(5,092)</u>	<u>(22,645)</u>	<u>(3,030)</u>	<u>29,767</u>
Other Financing Sources (Uses)				
Other Financing Sources	75,000			
Advances In	55,498		11,220	32,500
Other Financing Uses	(75,000)			
Advances Out	(55,498)		(11,220)	(32,500)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(5,092)	(22,645)	(3,030)	29,767
<i>Fund Balances Beginning of Year</i>	<u>40,369</u>	<u>66,519</u>	<u>13,369</u>	<u>1</u>
<i>Fund Balances End of Year</i>	<u>\$ 35,277</u>	<u>\$ 43,874</u>	<u>\$ 10,339</u>	<u>\$ 29,768</u>

See accompanying notes to the basic financial statements

Dental Clinic	Public Health Emergency Response	Obesity Grant	Other Governmental Funds	Total Governmental Funds
\$ 75,000	\$ 153,574	\$ 74,000	\$ 33,500	\$ 871,362
			125,335	128,415
219,389			30,371	423,615
				3,775
<u>294,389</u>	<u>153,574</u>	<u>74,000</u>	<u>189,206</u>	<u>1,427,167</u>
2,876	4,225		5,902	176,413
		501	7,578	207,582
			105,445	149,727
	10,094			244,873
			33,396	33,596
	144,933		853	188,015
			44,446	44,553
315,935				315,935
				32,488
<u>318,811</u>	<u>159,252</u>	<u>501</u>	<u>197,620</u>	<u>1,393,182</u>
<u>(24,422)</u>	<u>(5,678)</u>	<u>73,499</u>	<u>(8,414)</u>	<u>33,985</u>
				75,000
	11,778			110,996
	(11,778)			(75,000)
				(110,996)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(24,422)	(5,678)	73,499	(8,414)	33,985
<u>48,908</u>	<u>5,693</u>	<u>0</u>	<u>51,537</u>	<u>226,396</u>
<u>\$ 24,486</u>	<u>\$ 15</u>	<u>\$ 73,499</u>	<u>\$ 43,123</u>	<u>\$ 260,381</u>

**DISTRICT BOARD OF HEALTH
WASHINGTON 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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 237,000	\$ 238,856	\$ 238,856	\$ 0
Fines, Licenses and Permits	2,230	2,555	3,080	525
Charges for Services	18,000	23,436	23,959	523
Miscellaneous	2,000	1,677	2,393	716
<i>Total Receipts</i>	<u>259,230</u>	<u>266,524</u>	<u>268,288</u>	<u>1,764</u>
Disbursements				
Current:				
Administration	250,594	276,760	153,424	123,336
Environmental			44,282	(44,282)
Nursing			47,842	(47,842)
Plumbing			200	(200)
Preparedness			239	(239)
Dental Sealant			107	(107)
Vital Statistics	8,636	11,755	34,228	(22,473)
<i>Total Disbursements</i>	<u>259,230</u>	<u>288,515</u>	<u>280,322</u>	<u>8,193</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>(21,991)</u>	<u>(12,034)</u>	<u>9,957</u>
Other Financing Sources (Uses)				
Other Financing Sources			75,000	75,000
Advances In		130,498	55,498	(75,000)
Other Financing Uses			(75,000)	(75,000)
Advances Out		(130,498)	(55,498)	75,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(21,991)	(12,034)	9,957
Prior Year Encumbrances Appropriated	3,353	3,353	3,353	0
<i>Fund Balances Beginning of Year</i>	<u>37,016</u>	<u>37,016</u>	<u>37,016</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 40,369</u>	<u>\$ 18,378</u>	<u>\$ 28,335</u>	<u>\$ 9,957</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 67,000	\$ 35,822	\$ 14,240	\$ (21,582)
Charges for Services	110,400	114,986	149,896	34,910
Miscellaneous		1,100	1,382	282
<i>Total Receipts</i>	<u>177,400</u>	<u>151,908</u>	<u>165,518</u>	<u>13,610</u>
Disbursements				
Current:				
Nursing	187,028	185,385	178,818	6,567
Administration			12,951	(12,951)
<i>Total Disbursements</i>	<u>187,028</u>	<u>185,385</u>	<u>191,769</u>	<u>(6,384)</u>
<i>Net Change in Fund Balances</i>	(9,628)	(33,477)	(26,251)	7,226
Prior Year Encumbrances Appropriated	5,807	5,807	5,807	0
<i>Fund Balances Beginning of Year</i>	<u>60,712</u>	<u>60,712</u>	<u>60,712</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 56,891</u>	<u>\$ 33,042</u>	<u>\$ 40,268</u>	<u>\$ 7,226</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CARDIOVASCULAR HEALTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 198,000	\$ 198,000	\$ 198,000	\$ 0
<i>Total Receipts</i>	<u>198,000</u>	<u>198,000</u>	<u>198,000</u>	<u>0</u>
Disbursements				
Current:				
Cardiovascular Health Administration	198,000	201,342	207,077	(5,735)
			<u>1,527</u>	<u>(1,527)</u>
<i>Total Disbursements</i>	<u>198,000</u>	<u>201,342</u>	<u>208,604</u>	<u>(7,262)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>(3,342)</u>	<u>(10,604)</u>	<u>(7,262)</u>
Other Financing Sources (Uses)				
Advances In			11,220	11,220
Advances Out		(11,220)	(11,220)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(11,220)</u>	<u>0</u>	<u>11,220</u>
<i>Net Change in Fund Balances</i>	0	(14,562)	(10,604)	3,958
Prior Year Encumbrances Appropriated	5,307	5,307	5,307	0
<i>Fund Balances Beginning of Year</i>	<u>8,062</u>	<u>8,062</u>	<u>8,062</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 13,369</u>	<u>\$ (1,193)</u>	<u>\$ 2,765</u>	<u>\$ 3,958</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON 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**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$	\$ 55,580	\$ 84,192	\$ 28,612
Charges for Services		28,612		(28,612)
<i>Total Receipts</i>	<u>0</u>	<u>84,192</u>	<u>84,192</u>	<u>0</u>
Disbursements				
Current:				
Administration			680	(680)
Nursing			11,755	(11,755)
Preparedness		59,992	47,558	12,434
<i>Total Disbursements</i>	<u>0</u>	<u>59,992</u>	<u>59,993</u>	<u>(1)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>24,200</u>	<u>24,199</u>	<u>(1)</u>
Other Financing Sources (Uses)				
Advances In		32,500	32,500	0
Advances Out		(32,500)	(32,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>0</u>	<u>24,200</u>	<u>24,199</u>	<u>(1)</u>
<i>Fund Balances Beginning of Year</i>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 1</u>	<u>\$ 24,201</u>	<u>\$ 24,200</u>	<u>\$ (1)</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
DENTAL CLINIC FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 275,000	\$ 260,917	\$ 75,000	\$ (185,917)
Charges for Services	45,000	28,612	219,389	190,777
Miscellaneous	500			
<i>Total Receipts</i>	<u>320,500</u>	<u>289,529</u>	<u>294,389</u>	<u>4,860</u>
Disbursements				
Current:				
Administration			2,876	(2,876)
Dental Clinic	325,250	321,378	322,828	(1,450)
<i>Total Disbursements</i>	<u>325,250</u>	<u>321,378</u>	<u>325,704</u>	<u>(4,326)</u>
<i>Net Change in Fund Balances</i>	(4,750)	(31,849)	(31,315)	534
Prior Year Encumbrances Appropriated	4,100	4,100	4,100	0
<i>Fund Balances Beginning of Year</i>	<u>44,808</u>	<u>44,808</u>	<u>44,808</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 44,158</u>	<u>\$ 17,059</u>	<u>\$ 17,593</u>	<u>\$ 534</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH EMERGENCY RESPONSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 153,576	\$ 153,574	\$ 153,574	\$ 0
<i>Total Receipts</i>	<u>153,576</u>	<u>153,574</u>	<u>153,574</u>	<u>0</u>
Disbursements				
Current:				
Nursing			10,094	(10,094)
Preparedness	153,576	152,294	144,933	7,361
Administration			4,225	(4,225)
<i>Total Disbursements</i>	<u>153,576</u>	<u>152,294</u>	<u>159,252</u>	<u>(6,958)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>1,280</u>	<u>(5,678)</u>	<u>(6,958)</u>
Other Financing Sources (Uses)				
Advances In		11,778	11,778	0
Advances Out		(11,778)	(11,778)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	1,280	(5,678)	(6,958)
Prior Year Encumbrances Appropriated	5,675	5,675	5,675	0
<i>Fund Balances Beginning of Year</i>	<u>18</u>	<u>18</u>	<u>18</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,693</u>	<u>\$ 6,973</u>	<u>\$ 15</u>	<u>\$ (6,958)</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
OBESITY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$	\$ 74,000	\$ 74,000	\$ 0
<i>Total Receipts</i>	0	74,000	74,000	0
Disbursements				
Current:				
Cardiovascular Health		501	501	0
<i>Total Disbursements</i>	0	501	501	0
<i>Net Change in Fund Balances</i>	0	73,499	73,499	0
<i>Fund Balances Beginning of Year</i>	0	0	0	0
<i>Fund Balances End of Year</i>	\$ 0	\$ 73,499	\$ 73,499	\$ 0

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008**

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.

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. The 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.

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.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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.

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:

General Fund – This 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.

Public Health Nursing Fund – This fund accounts for all financial resources received and disbursed for the delivery of public health nursing services. These services include, but are not limited to, immunizations, clinics, infectious disease surveillance and investigation, school nurse contract and speech therapy.

Cardiovascular Health Fund – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program.

Public Health Infrastructure Fund – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Dental Clinic Fund – This fund accounts for the grant funds awarded by the Ohio Department of Health, client fees and Medicaid reimbursement, and other contributions toward the operation of the Southeastern Ohio Dental Clinic.

Public Health Emergency Preparedness Fund - This fund accounts for the grant funds awarded by the Ohio Department of Health to address bioterrorism, other outbreaks of infectious disease and other public health threats and emergencies at the county and regional public health level.

Public Health Emergency Response Fund - This fund accounts for the grant funds awarded by the Ohio Department of Health to address bioterrorism, other outbreaks of infectious disease and other public health threats and emergencies at the county and regional public health level.

Obesity Grant Fund - This fund accounts for the grant funds awarded by the Ohio Department of Health for the development of a skate park at Indian Acres Park.

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

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Health 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 their related expenses) are not recorded in these financial statements.

D. Budgetary Process

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

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

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 and Investments

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 the County Treasurer, Dorothy Peppel, 205 Putnam Street, Marietta, Ohio 45750.

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

H. 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.

I. Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. 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.

K. 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 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for 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.

M. 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 programs mandated by the Ohio Revised Code and grants awarded by the Ohio Department of Health or other agencies.

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.

N. 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 and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

O. 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 - 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 – Budget Basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

	2009	2008
General Fund	\$7,091	\$6,942
Major Special Revenue Funds:		
Public Health Nursing Fund	2,028	3,606
Cardiovascular Health Fund	6,794	7,574
Public Health Infrastructure		5,568
Dental Clinic	1,510	6,893
Public Health Emergency Preparedness	2,846	
Public Health Emergency Response	6,826	

Note 4 - Interfund Receivables/Payables

Interfund balances at December 31, 2009, consisted of the following individual fund receivables and payables:

Due to General Fund from:	
Dental Clinic Fund	\$ 12,500

The balance due to the General Fund includes a loan made to provide working capital for operations or projects. This amount is expected to be repaid within one year.

Note 5 – Risk Management

Risk Pool Membership

The Health District belongs to the County Risk Sharing Authority (CORSA), a risk sharing pool available through the County Commissioners Association of Ohio. The County Commissioners pay annual contributions and the cost is shared across all covered departments.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 5 – Risk Management (Continued)

Casualty Coverage

CORSA breaks down the total program costs by the following coverages: Property, Auto, General Liability, Public Officials Liability, Law Enforcement, and Medical Professional Liability.

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.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and 2008, members in state and local classifications contributed 10 percent of covered payroll.

The Health District's contribution rate for 2009 and 2008 was 14 percent of covered payroll. For the period January 1, 2008 through March 31, 2009, a portion of the Health District's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 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, 2009, 2008, and 2007 were \$98,031, \$103,994, and \$98,950 respectively. The full amount has been contributed for 2009, 2008 and 2007.

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.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 7 - Postemployment Benefits (Continued)

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 2009 and 2008, local government employers contributed 14 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll from January 1, 2008 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

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.

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 – Lease Agreements

The Health District entered into lease agreements in 2006 for three 2006 Jeep Liberties. The Jeeps were financed through Daimler Chrysler over three years. An extension was granted on these leases in August of 2009. The scheduled payments under these lease obligations are as follows:

<u>Year Ended December 31</u>	<u>Jeep Liberties</u>
2010	\$ 5,130

Note 9 – Contingent Liabilities

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

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass-Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health:</i>			
Public Health Emergency Preparedness	08410012PH0110	93.069	\$ 138,935
Center for Disease Control and Prevention, Investigations and Technical Assistance	08410012PI0209	93.283	143,960
Preventative Health and Health Services Block Grant	08410014CH0209 08410014CH0108	93.991	189,924 9,883
Total Preventative Health and Health Services Block Grant			<u>199,807</u>
Maternal and Child Health Services Block Grant to the States	08410011DS0209 08410011SC0209	93.994	34,006 65,186
Total Maternal and Child Health Services Block Grant to the States			<u>99,192</u>
Total U. S. Department of Health and Human Services			<u>581,894</u>
Total Federal Awards Expenditures			<u>\$ 581,894</u>

The accompanying Notes to the Federal Awards Expenditures Schedule are an integral part of this Schedule.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

The Health District passes certain federal awards received from the Ohio Department of Health to other governments or not-for-profit agencies (subrecipients). As Note A describes, the Health District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Health 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.



Mary Taylor, CPA

Auditor of State

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

District Board of Health
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Board of Health, Washington County, Ohio (the Health District), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated September 9, 2010, wherein we noted the Health 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 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 deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements 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 would not necessarily identify all deficiencies in internal control 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings that we consider significant deficiencies in internal control over financial reporting. We consider findings 2009-001 and 2009-002 to be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Health District's management in a separate letter dated September 9, 2010.

The Health District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Health District's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

September 9, 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 REQUIRED BY OMB CIRCULAR A-133

District Board of Health
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

Compliance

We have audited the compliance of the District Board of Health, Washington County, Ohio (the Health 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 Health District's major federal programs. The Health 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 Health 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 Health 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 Health District's compliance with those requirements.

In our opinion, the Health District 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 Health 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 Health 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 Health District's internal control over compliance.

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www.auditor.state.oh.us

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

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

We intend this report solely for the information and use of the audit committee, management, Board of Health, federal awarding agencies, and pass-through entities. 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

September 9, 2010

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009 AND 2008**

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)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Preventive Health and Health Services Block Grant, CFDA #93.991 Public Health Emergency Preparedness, CFDA #93.069
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009 AND 2008
(Continued)**

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

FINDING NUMBER 2009-001

Significant Deficiency

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Numerous posting errors were noted as follows:

- Medicaid monies received were posted as intergovernmental revenue rather than charges for services in the Dental Sealant Fund (\$11,783), Dental Clinic Fund (\$190,198) and Public Health Nursing Fund (\$33,475) in 2008 and in the Dental Clinic Fund (\$33,809) in 2009.
- Advances in and advances out were improperly classified as transfers in and transfers out in the General Fund (\$55,498), Cardiovascular Health Fund (\$11,220), Public Health Infrastructure Fund (\$32,500) and Public Health Emergency Response Fund (\$11,778) in 2008 and General Fund (\$75,500 and \$63,000), Public Health Nursing Fund (\$1,000), Cardiovascular Health Fund (\$2,500), Public Health Infrastructure Fund (\$28,400), Dental Clinic Fund (\$32,500 and \$20,000) and Public Health Emergency Preparedness Fund (\$11,100) in 2009.
- A transfer in and transfer out reported on the Public Health Emergency Response Fund budget and actual statement did not agree to the Health District's records by \$11,100 in 2009.
- The balance sheet's reserve for encumbrances in other governmental funds did not agree to the Health District's ledgers in 2008 in the amount of \$9,672.
- Loan proceeds from the County Commissioners and the respective payback was posted as miscellaneous revenue and an administration expense in the amount of \$75,000 in both 2008 and 2009, instead of as other financing sources and uses.
- The 2008 and 2009 health withholdings from other entities were posted as property taxes instead of grants and entitlements on the statement of activities (\$225,000 for both 2008 and 2009).
- The total net assets amount on the statement of net assets did not agree to the Health District's balance sheet in 2008 by \$260,381.

Without information properly classified and entered into the system, the management of the Health District lost some degree of fiscal control. This also resulted in inaccurate financial reports and numerous audit adjustments as well as increased audit costs to the Health District.

We recommend the Administrative Assistant take due care when posting transactions in the system and to the financial statements.

Officials' Response: Reference is made to numerous posting errors. The first of these refers to Medicaid monies posted as intergovernmental revenue rather than charges for services. In previous years (single audit for the year 2007, finding 2007-001), the health department was instructed to include Medicaid amounts as intergovernmental revenue, and we changed our accounting practice to reflect this change. Now, we are instructed that this is wrong. Also, the definition of advances and transfers had not been clearly defined previously. We now will use appropriate terminology for these activities when monies are moved between funds. Careful quality assurance procedures will be instituted by the health commission to assure agreement between posted transactions and financial statements.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009 AND 2008
(Continued)**

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

FINDING NUMBER 2009-002

Significant Deficiency

All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

At December 31, 2009, estimated revenue in the system did not agree to the amounts approved by the Board as follows:

<u>Fund</u>	<u>Estimated Revenue</u>	<u>Estimated Revenue per the Health's District's System</u>	<u>Variance</u>
General	\$ 400,385	\$ 401,385	\$(1,000)

At December 31, 2009, final appropriations per the budgetary statements as prepared by the District did not agree to the approved amounts as follows:

<u>Fund</u>	<u>Approved Appropriations</u>	<u>Appropriations per the Budgetary Statements</u>	<u>Variance</u>
Public Health Nursing	\$ 184,927	\$ 182,320	\$ 2,607
Cardiovascular Health	209,100	200,500	8,600
Public Health Infrastructure	172,360	166,792	5,568
Dental Clinic	331,878	324,985	6,893
Public Health Emergency Preparedness	71,634	82,734	(11,100)
Public Health Emergency Response	90,767	101,852	(11,085)

At December 31, 2009, final estimated revenue per the budgetary statements as prepared by the District did not agree to the approved amounts as follows:

<u>Fund</u>	<u>Estimated Revenue</u>	<u>Estimated Revenue per the Budgetary Statements</u>	<u>Variance</u>
Public Health Nursing	\$ 188,306	\$ 189,306	\$(1,000)
Public Health Emergency Response	113,818	124,918	(11,100)

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009 AND 2008
(Continued)**

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

FINDING NUMBER 2009-002 (Continued)

Significant Deficiency (Continued)

At December 31, 2008, appropriations in the system did not agree to the amounts approved by the Board as follows:

<u>Fund</u>	<u>Approved Appropriations</u>	<u>Appropriations per the District's system</u>	<u>Variance</u>
General	\$ 411,337	\$ 410,591	\$ 746
Public Health Nursing	191,611	190,268	1,343
Cardiovascular Health	218,010	219,969	(1,959)
Dental Clinic	326,012	325,478	534
Public Health Emergency Response	171,849	171,011	838

At December 31, 2008, final appropriations per the budgetary statements as prepared by the District did not agree to the approved amounts as follows:

<u>Fund</u>	<u>Approved Appropriations</u>	<u>Appropriations per the Budgetary Statements</u>	<u>Variance</u>
General	\$ 411,337	\$ 419,013	\$(7,676)
Public Health Nursing	191,611	185,385	6,226
Cardiovascular Health	218,010	212,562	5,448
Public Health Infrastructure	92,492	124,993	(32,501)
Dental Clinic	326,012	321,378	4,634
Public Health Emergency Response	171,849	164,072	7,777
Obesity Grant	501	74,000	(73,499)

At December 31, 2008, final estimated revenue per the budgetary statements as prepared by the District did not agree to the approved amounts as follows:

<u>Fund</u>	<u>Estimated Revenue</u>	<u>Estimated Revenue per the Budgetary Statements</u>	<u>Variance</u>
General	\$ 397,022	\$ -	\$ 397,022
Cardiovascular Health	209,220	198,000	11,220
Public Health Infrastructure	116,692	322,029	(205,337)

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009 AND 2008
(Continued)**

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

FINDING NUMBER 2009-002 (Continued)

Significant Deficiency (Continued)

We further found the following:

- Prior year encumbrances were excluded from the original and final appropriations on the budgetary statements as presented by the Health District for both 2008 and 2009;
- Current year encumbrances were excluded from the actual disbursements on the budgetary statements as presented by the Health District for both 2008 and 2009; and
- The beginning fund balances on the budgetary statements as presented by the Health District did not agree to the prior year ending balances for the General Fund (2008 and 2009), Public Health Nursing Fund (2008 and 2009), Dental Clinic Fund (2008 and 2009) and the Public Health Emergency Response (PHER) Fund (2008 and 2009).

Without information properly entered into the system, the management of the Health District lost some degree of budgetary control. This also resulted in audit adjustments to the budgetary statements.

We recommend the Administrative Assistant take due care in posting only approved appropriations to the accounting system. We further recommend the Administrative Assistant ensure that the approved amounts are posted to the budgetary statements.

Officials' Response: Appropriate safeguards will be established that will decrease the number of variances as those cited in the audit findings. Some of the variances we know occurred with the incorrect interpretation of the way the encumbrances must be reported. This has been corrected. Unfortunately, some of these variances are not so easily corrected. Several funds might receive funding late in the year due to licensing schedules or grant funding cycles. If the health department receives these funds after the County Auditor's office has closed the books for the fiscal year, the funds though received in one year, may not be posted until the following fiscal year. Any budget actions would not be presented to the Board of Health until the following year. If there is another way to eliminate these variances occurring from fiscal year to fiscal year, we would look for a solution.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None noted.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315(b)
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Ohio Admin. Code 117-2-02(A) and 117-2-02(C)(1) – The Health District had numerous posting errors to actual receipts and expenditures, as well as to budgetary amounts.	No	Not corrected - Re-issued as Finding Number 2009-001



Mary Taylor, CPA
Auditor of State

WASHINGTON COUNTY DISTRICT BOARD OF HEALTH

WASHINGTON 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**