



**Mary Taylor, CPA**  
Auditor of State



**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Union County General Health District  
Union County  
940 London Avenue  
Marysville, Ohio 43040

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 Union County General Health District, Union County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007, 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 Union County General Health District, Union County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Public Health Nursing, and Public Health Infrastructure 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 August 10, 2009, 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.

A handwritten signature in black ink that reads "Mary Taylor". The script is cursive and fluid.

**Mary Taylor, CPA**  
Auditor of State

August 10, 2009

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED**

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The discussion and analysis of the Union County General Health District's, Union County, Ohio (the "District") financial performance provides an overall review of the District's financial activities for the years ended December 31, 2008, and 2007, within the limitations of the District's cash basis accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2008 were as follows:

Net assets of governmental activities decreased \$33,192 or just over 1 percent as compared to 2007. The primary reason for the decrease in cash balance was due to decreasing revenues from tangible personal property tax receipts under existing state law.

Program specific receipts in the form of charges for services and operating grants and contribution comprises slightly less than half of the District's receipts, making up about 45 percent of all the dollars coming into the District. General receipts in the form of property taxes and unrestricted make up the other 55 percent.

The District had \$2,736,320 in disbursements during 2008.

Key highlights for 2007 were as follows:

Net assets of governmental activities decreased \$156,720 or 6 percent as compared to 2006. The primary reason for the decrease in cash balance was due to contract and equipment purchases related to a data imaging project.

Program specific receipts in the form of charges for services and operating grants and contribution comprises slightly less than half of the District's receipts, making up about 46 percent of all the dollars coming into the District. General receipts in the form of property taxes and unrestricted make up the other 54 percent.

The District had \$2,981,851 in disbursements during 2007.

**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 balance 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.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED  
(Continued)**

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**Using the Basic Financial Statements (Continued)**

**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 a cash basis of accounting. 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.

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2008 and 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of 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 non-financial factors as well such as the condition of the District's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources.

The statement of net assets and the statement of activities present governmental activities, which includes all the District's services. Charges for services and state and federal grants finance just under half of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them. The District has no business-type activities.

**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. All of the operating funds of the District are governmental.

Governmental Fund — The District's activities are reported in a governmental fund. The governmental fund financial statements provide a detailed view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED  
(Continued)**

**Reporting the District's Most Significant Funds (Continued)**

there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate column. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) The District's major governmental fund are the General Fund, Public Health Nursing, and Public Health Infrastructure (Fiscal Year 2008 only). The programs reported in the governmental funds are closely related to those reported in the governmental activities sections of the entity wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2008 compared to 2007 and 2006 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities		
	2008	2007	2006
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,327,165	\$ 2,360,357	\$ 2,517,077
Total Assets	2,327,165	2,360,357	2,517,077
<b>Net Assets</b>			
Restricted for Other Purposes	867,905	757,307	215,441
Unrestricted	1,459,260	1,603,050	2,301,636
Total Net Assets	\$ 2,327,165	\$ 2,360,357	\$ 2,517,077

Table 2 reflects the changes in net assets in 2008 and 2007. A comparative analysis of government-wide data has been presented by including 2006.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED  
(Continued)**

**The District as a Whole (Continued)**

(Table 2)

**Changes in Net Assets**

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$707,060	\$749,670	\$767,036
Operating Grants and Contributions	288,599	324,938	503,579
Capital Grants and Contributions	225,385	216,259	-
Total Program Receipts	<u>1,221,044</u>	<u>1,290,867</u>	<u>1,270,615</u>
General Receipts:			
Property Taxes	1,108,837	1,239,512	1,217,670
Grants and Entitlements	361,334	281,328	200,016
Miscellaneous	11,912	13,424	2,112
Total General Receipts	<u>1,482,083</u>	<u>1,534,264</u>	<u>1,419,798</u>
Total Receipts	<u>2,703,127</u>	<u>2,825,131</u>	<u>2,690,413</u>
Disbursements:			
Environmental Health:			
General Environmental Health	283,415	271,653	257,768
Food Service	107,192	104,112	98,080
Plumbing	85,458	85,856	84,191
Water	50,201	53,533	54,046
Sewage	49,064	65,950	44,578
Pools/Spas	6,978	7,389	22,279
Camps/MHP	3,403	5,054	11,544
Radon	2,442	2,212	7,064
Rabies	502	225	390
Personal Health:			
General Nursing	398,905	448,767	375,011
Health Education and Partnerships	359,138	333,258	350,232
Help Me Grow	315,746	309,846	290,532
Child and Family Health Services	127,988	94,485	91,453
Tobacco Cessation	9,447	73,528	89,712
Clinics	111,603	104,192	89,522
Public Health Infrastructure	186,900	208,182	210,644
Vital Statistics	70,860	60,011	57,339
Administration	390,289	376,123	392,878
General Health District	176,788	377,475	232,047
Total Disbursements	<u>2,736,319</u>	<u>2,981,851</u>	<u>2,759,310</u>
Decrease in Net Assets	(33,192)	(156,720)	(68,897)
Net Assets, Beginning of Year	<u>2,360,357</u>	<u>2,517,077</u>	<u>2,585,974</u>
Net Assets, End of Year	<u><u>\$2,327,165</u></u>	<u><u>\$2,360,357</u></u>	<u><u>\$2,517,077</u></u>

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED  
(Continued)**

**The District as a Whole (Continued)**

In 2008, 55 percent of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 45 percent of the District's total receipts in year 2008. These receipts consist primarily of charges for services for birth and death certificates, food services licenses, trailer park permits, swimming pools permits, and water system permits and state and federal operating grants and donations.

In 2007, 54 percent of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 46 percent of the District's total receipts in year 2007. These receipts consist primarily of charges for services for birth and death certificates, food services licenses, trailer park permits, swimming pools permits, and water system permits and state and federal operating grants and donations.

**Governmental Activities**

If you look at the Statement of Activities for 2008 on page 11 and for 2007 on page 18, you will see that the first column lists the major disbursements of the District. The next column identifies the amount of these disbursements. In 2008, the major program disbursements for governmental activities were: general nursing and administration, which each accounted for 15 percent and 14 percent of total disbursements. In 2007, the major program disbursements for governmental activities were: general nursing and general District, which accounted for 15 percent and 13 percent of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants and contributions received by the District that must be used to provide a specific service. The Net (Disbursement) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers, state subsidies, and cash balances of grant and fee programs. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2008	2008	2007	2007
Environmental Health:				
General Environmental Health	\$283,415	\$278,534	\$271,653	\$264,497
Food Service	107,192	(1,604)	104,112	3,582
Plumbing	85,458	3,590	85,856	4,302
Water	50,201	13,022	53,533	8,422
Sewage	49,064	(22,391)	65,950	(11,137)
Pools/Spas	6,978	(3,848)	7,389	(4,205)
Camps/MHP	3,403	(2,047)	5,054	(758)
Radon	2,442	1,346	2,212	(464)
Rabies	502	502	225	225

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED  
(Continued)**

(Table 3) (Continued)

	<b>Governmental Activities</b>			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2008	2008	2007	2007
Personal Health:				
General Nursing	398,905	395,853	448,767	444,858
Health Education and Partnerships	359,138	240,906	333,258	195,092
Help Me Grow	315,746	144,151	309,846	94,836
Child and Family Health Services	127,988	28,028	94,485	39,093
Tobacco Cessation	9,447	7,194	73,528	(19,030)
Clinics	111,603	(66,379)	104,192	(28,780)
Public Health Infrastructure	186,900	(89,103)	208,182	(53,254)
Vital Statistics	70,860	22,743	60,011	6,419
Administration	390,289	387,990	376,123	369,811
General Health District	176,788	176,788	377,475	377,475
Total Expenses	<u>\$2,736,319</u>	<u>\$1,515,275</u>	<u>\$2,981,851</u>	<u>\$1,690,984</u>

In 2008, the District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charges rates for services that are closely related to costs. About 55 percent of health cost are supported through property taxes, unrestricted grants, and other general receipts.

In 2007, the District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charges rates for services that are closely related to costs. About 52 percent of health costs are supported through property taxes, unrestricted grants, and other general receipts.

**The District's General Fund**

In 2008, the General Fund had receipts of \$1,619,017 and disbursements of \$1,762,809. The fund balance of the General Fund decreased \$143,792 as a result of decreased receipts from tax levies and a transfer to the Public Health Nursing Fund.

In 2007, the General Fund had receipts of \$1,776,321 and disbursements of \$2,320,038. The fund balance of the General Fund decreased \$543,717 as a result of the creation of the Public Health Nursing Fund and a transfer to that fund.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007  
UNAUDITED  
(Continued)**

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**General Fund Budgeting Highlights**

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

During the course of 2008 and 2007 the District amended its appropriations, and the budgetary statements reflect both the original and final appropriated amounts. There were no significant changes between the original and the final estimated receipts.

**Capital Assets**

The District does not currently keep track of its capital assets and infrastructure.

**Debt**

As of December 31, 2008 and 2007, the District had no outstanding debt.

**Contacting the District's Financial Management**

This financial report is designed to provide to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to James A. Damask, MBA, Fiscal Officer, Union County Health Department, 940 London Avenue, Suite 1100, Marysville, Ohio 43040.

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**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

***Statement of Net Assets - Cash Basis  
December 31, 2008***

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	<b>Governmental Activities</b>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,327,165
<i>Total Assets</i>	<u>\$ 2,327,165</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	867,905
Unrestricted	<u>1,459,260</u>
<i>Total Net Assets</i>	<u>\$ 2,327,165</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**Statement of Activities - Cash Basis  
For the Year Ended December 31, 2008**

	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
<b>Environmental Health</b>					
General Environmental Health	\$ 283,414	\$ 640	\$ 4,241	\$ -	\$ (278,533)
Food Service	107,192	108,671	125	-	1,604
Plumbing	85,458	81,868	-	-	(3,590)
Water	50,201	37,121	58	-	(13,022)
Sewage	49,065	71,455	-	-	22,390
Pools/Spas	6,978	10,820	6	-	3,848
Camps/MHP	3,403	5,443	7	-	2,047
Radon	2,442	-	1,096	-	(1,346)
Rabies	502	-	-	-	(502)
<b>Personal Health</b>					
General Nursing	398,906	1,877	1,175	-	(395,854)
Health Education and Partnerships	359,138	2,268	115,964	-	(240,906)
Help Me Grow/BCMH/Speech Therapy	315,746	171,595	-	-	(144,151)
Child and Family Health Services	127,988	-	99,960	-	(28,028)
Tobacco Cessation	9,447	2,160	93	-	(7,194)
Clinics	111,603	114,235	63,747	-	66,379
Public Health Infrastructure	186,900	50,618	-	225,385	89,103
Vital Statistics	70,860	47,211	906	-	(22,743)
Administration	390,289	1,078	1,221	-	(387,990)
General Health District	176,788	-	-	-	(176,788)
<b>Total Governmental Activities</b>	<b>\$ 2,736,320</b>	<b>\$ 707,060</b>	<b>\$ 288,599</b>	<b>\$ 225,385</b>	<b>(1,515,276)</b>
 <b>General Receipts</b>					
Property Taxes Levied for					
General Health District Purposes					1,108,837
Grants and Entitlements not Restricted to					
Specific Programs					361,334
Miscellaneous					11,912
<b>Total General Receipts</b>					<b>1,482,083</b>
Change in Net Assets					(33,193)
Net Assets Beginning of Year					2,360,357
Net Assets End of Year					<b>\$ 2,327,164</b>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2008**

	<u>General</u>	<u>Public Health Nursing Fund</u>	<u>Public Health Infrastructure Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 1,459,258	\$ 329,576	\$ 218,901	\$ 319,429	\$ 2,327,165
<i>Total Assets</i>	<u>\$ 1,459,258</u>	<u>\$ 329,576</u>	<u>\$ 218,901</u>	<u>\$ 319,429</u>	<u>\$ 2,327,165</u>
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	\$ 18,985	\$ 20,093	\$ 760	\$ 4,574	\$ 44,412
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	1,440,273	-	-	-	1,440,275
Special Revenue Funds	-	309,483	218,141	314,855	842,478
<i>Total Fund Balances</i>	<u>\$ 1,459,258</u>	<u>\$ 329,576</u>	<u>\$ 218,901</u>	<u>\$ 319,429</u>	<u>\$ 2,327,165</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2008**

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Property and Other Local Taxes	\$ 1,108,837	\$ -	\$ -	\$ -	\$ 1,108,837
Intergovernmental	364,556	158,048	225,386	126,562	874,552
Fees, Licenses and Permits	85,423	-	-	232,755	318,178
Contractual Services	-	231,138	50,618	500	282,256
Charges for Services	47,211	58,894	-	-	106,105
Miscellaneous	12,990	210	-	-	13,200
<i>Total Receipts</i>	<u>1,619,017</u>	<u>448,290</u>	<u>276,004</u>	<u>359,817</u>	<u>2,703,128</u>
<b>Disbursements</b>					
Current:					
Environmental Health					
General Environmental Health	283,414	-	-	-	283,414
Food Service	-	-	-	107,192	107,192
Plumbing	85,458	-	-	-	85,458
Water	-	-	-	50,201	50,201
Sewage	968	-	-	48,097	49,065
Pools/Spas	-	-	-	6,978	6,978
Camps/MHP	-	-	-	3,403	3,403
Radon	2,442	-	-	-	2,442
Rabies	502	-	-	-	502
Personal Health					
General Nursing	1,202	397,704	-	-	398,906
Health Education and Partnerships	404	337,978	-	20,756	359,138
Help Me Grow/BCMH/Speech Therapy	482	315,264	-	-	315,746
Child and Family Health Services	-	-	-	127,988	127,988
Tobacco Cessation	-	3,586	-	5,861	9,447
Clinics	-	111,603	-	-	111,603
Public Health Infrastructure	-	-	186,900	-	186,900
Vital Statistics	70,860	-	-	-	70,860
Administration	390,289	-	-	-	390,289
General Health District	176,788	-	-	-	176,788
<i>Total Disbursements</i>	<u>1,012,809</u>	<u>1,166,135</u>	<u>186,900</u>	<u>370,476</u>	<u>2,736,320</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>606,208</u>	<u>(717,845)</u>	<u>89,104</u>	<u>(10,659)</u>	<u>(33,192)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	750,000	-	-	750,000
Transfers Out	(750,000)	-	-	-	(750,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(750,000)</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(143,792)	32,155	89,104	(10,659)	(33,192)
<i>Fund Balances Beginning of Year</i>	<u>1,603,050</u>	<u>297,421</u>	<u>129,798</u>	<u>330,088</u>	<u>2,360,357</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,459,258</u>	<u>\$ 329,576</u>	<u>\$ 218,902</u>	<u>\$ 319,429</u>	<u>\$ 2,327,165</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,170,000	\$ 1,170,000	\$ 1,108,837	\$ (61,163)
Intergovernmental	362,000	362,000	364,556	2,556
Fees, Licenses and Permits	80,949	80,949	85,423	4,474
Charges for Services	52,000	52,000	47,211	(4,789)
Miscellaneous	5,000	5,000	12,990	7,990
<i>Total Receipts</i>	<u>1,669,949</u>	<u>1,669,949</u>	<u>1,619,017</u>	<u>(50,932)</u>
<b>Disbursements</b>				
Current:				
Environmental Health				
General Environmental Health	371,779	362,479	283,865	78,614
Plumbing	94,943	97,652	86,583	11,069
Sewage	-	788	968	(180)
Radon	-	2,593	2,442	151
Rabies	-	502	502	-
Personal Health				
General Nursing	-	559	1,202	(643)
Health Education and Partnerships	-	404	404	-
Help Me Grow/BCMH/Speech Therapy	-	401	482	(81)
Vital Statistics	79,059	94,566	76,710	17,856
Administration	488,733	467,722	392,104	75,618
General Health District	<u>279,862</u>	<u>286,712</u>	<u>186,533</u>	<u>100,179</u>
<i>Total Disbursements</i>	<u>1,314,376</u>	<u>1,314,378</u>	<u>1,031,795</u>	<u>282,583</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>355,573</u>	<u>355,571</u>	<u>587,222</u>	<u>231,651</u>
<b>Other Financing Uses</b>				
Transfers Out	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
<i>Total Other Financing Uses</i>	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(394,427)	(394,429)	(162,778)	231,651
Prior Year Encumbrances Appropriated	63,117	63,117	63,117	-
<i>Fund Balances Beginning of Year</i>	<u>1,539,934</u>	<u>1,539,934</u>	<u>1,539,934</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,208,624</u>	<u>\$ 1,208,622</u>	<u>\$ 1,440,273</u>	<u>\$ 231,651</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION 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
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 131,936	\$ 131,936	\$ 158,048	\$ 26,112
Contractual Services	192,951	192,951	231,138	38,187
Charges for Services	49,164	49,164	58,894	9,730
Miscellaneous	175	175	210	35
<i>Total Receipts</i>	<u>374,226</u>	<u>374,226</u>	<u>448,290</u>	<u>74,064</u>
<b>Disbursements</b>				
Current:				
Personal Health				
General Nursing	446,588	441,704	398,929	42,775
Health Education and Partnerships	377,965	399,345	346,341	53,004
Tobacco Cessation	-	3,601	3,586	15
Help Me Grow/BCMH/Speech Therapy Clinics	352,266	367,805	321,144	46,661
	169,403	133,767	116,228	17,539
<i>Total Disbursements</i>	<u>1,346,222</u>	<u>1,346,222</u>	<u>1,186,228</u>	<u>159,994</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(971,996)</u>	<u>(971,996)</u>	<u>(737,938)</u>	<u>234,058</u>
<b>Other Financing Sources</b>				
Transfers In	-	-	750,000	750,000
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>
<i>Net Change in Fund Balances</i>	(971,996)	(971,996)	12,062	984,058
Prior Year Encumbrances Appropriated	40,055	40,055	40,055	-
<i>Fund Balances Beginning of Year</i>	<u>257,366</u>	<u>257,366</u>	<u>257,366</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ (674,575)</u>	<u>\$ (674,575)</u>	<u>\$ 309,483</u>	<u>\$ 984,058</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

***Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Public Health Infrastructure Fund  
For the Year Ended December 31, 2008***

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 204,188	\$ 204,188	\$ 225,386	\$ 21,198
Contractual Services	45,857	45,857	50,618	4,761
<i>Total Receipts</i>	<u>250,045</u>	<u>250,045</u>	<u>276,004</u>	<u>25,959</u>
<b>Disbursements</b>				
Current:				
Public Health Infrastructure	244,612	244,612	187,660	56,952
<i>Total Disbursements</i>	<u>244,612</u>	<u>244,612</u>	<u>187,660</u>	<u>56,952</u>
<i>Net Change in Fund Balances</i>	<u>5,433</u>	<u>5,433</u>	<u>88,344</u>	<u>82,911</u>
Prior Year Encumbrances Appropriated	11,042	11,042	11,042	-
<i>Fund Balances Beginning of Year</i>	<u>118,756</u>	<u>118,756</u>	<u>118,756</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 135,231</u>	<u>\$ 135,231</u>	<u>\$ 218,142</u>	<u>\$ 82,911</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

***Statement of Net Assets - Cash Basis  
December 31, 2007***

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,360,357
<i>Total Assets</i>	<u>\$ 2,360,357</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	757,307
Unrestricted	<u>1,603,050</u>
<i>Total Net Assets</i>	<u>\$ 2,360,357</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2007*

	Disbursements	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Environmental Health					
General Environmental Health	\$ 271,653	\$ 365	\$ 6,791	\$ -	\$ (264,497)
Food Service	104,112	100,222	308	-	(3,582)
Plumbing	85,856	81,554	-	-	(4,302)
Water	53,533	44,969	142	-	(8,422)
Sewage	65,950	77,087	-	-	11,137
Pools/Spas	7,389	11,520	74	-	4,205
Camps/MHP	5,054	5,770	42	-	758
Radon	2,212	-	2,676	-	464
Rabies	225	-	-	-	(225)
Personal Health					
General Nursing	448,767	1,179	2,730	-	(444,858)
Health Education and Partnerships	333,258	14,111	124,055	-	(195,092)
Help Me Grow/BCMHP/Speech Therapy	309,846	215,010	-	-	(94,836)
Child and Family Health Services	94,485	-	55,392	-	(39,093)
Tobacco Cessation	73,528	175	92,383	-	19,030
Clinics	104,192	99,904	33,068	-	28,780
Public Health Infrastructure	208,182	45,177	-	216,259	53,254
Vital Statistics	60,011	52,627	965	-	(6,419)
Administration	376,123	-	6,312	-	(369,811)
General Health District	377,475	-	-	-	(377,475)
<b>Total Governmental Activities</b>	<b>\$ 2,981,851</b>	<b>\$ 749,670</b>	<b>\$ 324,938</b>	<b>\$ 216,259</b>	<b>(1,690,984)</b>
<b>General Receipts</b>					
Property Taxes Levied for General Health District Purposes					
					1,239,512
Grants and Entitlements not Restricted to Specific Programs					
					281,328
Miscellaneous					
					13,424
<i>Total General Receipts</i>					1,534,264
Change in Net Assets					(156,720)
<i>Net Assets Beginning of Year</i>					2,517,077
<i>Net Assets End of Year</i>					<b>\$ 2,360,357</b>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2007**

	<u>General</u>	<u>Public Health Nursing Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,603,050	\$ 297,421	\$ 459,886	\$ 2,360,357
<i>Total Assets</i>	<u>\$ 1,603,050</u>	<u>\$ 297,421</u>	<u>\$ 459,886</u>	<u>\$ 2,360,357</u>
<b>Fund Balances</b>				
Reserved:				
Reserved for Encumbrances	\$ 63,117	\$ 40,055	\$ 20,943	\$ 124,115
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	1,539,933	-	-	1,539,933
Special Revenue Funds	-	257,366	438,943	696,309
<i>Total Fund Balances</i>	<u>\$ 1,603,050</u>	<u>\$ 297,421</u>	<u>\$ 459,886</u>	<u>\$ 2,360,357</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2007**

	General	Public Health Nursing Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,239,512	\$ -	\$ -	\$ 1,239,512
Intergovernmental	297,922	146,174	390,738	834,834
Fees, Licenses and Permits	106,906	-	214,581	321,487
Contractual Services	65,930	191,207	46,377	303,514
Charges for Services	52,627	59,558	175	112,360
Miscellaneous	13,424	-	-	13,424
<b>Total Receipts</b>	<b>1,776,321</b>	<b>396,939</b>	<b>651,871</b>	<b>2,825,131</b>
<b>Disbursements</b>				
Current:				
Environmental Health				
General Environmental Health	271,653	-	-	271,653
Food Service	-	-	104,112	104,112
Plumbing	85,856	-	-	85,856
Water	-	-	53,533	53,533
Sewage	62,850	-	3,100	65,950
Pools/Spas	-	-	7,389	7,389
Camps/MHP	-	-	5,054	5,054
Radon	2,212	-	-	2,212
Rabies	225	-	-	225
Personal Health				
General Nursing	73,358	375,409	-	448,767
Health Education and Partnerships	54,728	255,233	23,297	333,258
Help Me Grow/BCMH/Speech Therapy	47,690	262,156	-	309,846
Child and Family Health Services	-	-	94,485	94,485
Tobacco Cessation	-	-	73,528	73,528
Clinics	14,315	89,877	-	104,192
Public Health Infrastructure	8,385	-	199,797	208,182
Vital Statistics	60,011	-	-	60,011
Administration	376,123	-	-	376,123
General Health District	377,475	-	-	377,475
<b>Total Disbursements</b>	<b>1,434,881</b>	<b>982,675</b>	<b>564,295</b>	<b>2,981,851</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>341,440</b>	<b>(585,736)</b>	<b>87,576</b>	<b>(156,720)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	743,825	2,000	745,825
Transfers Out	(745,825)	-	-	(745,825)
Advances In	-	139,332	-	139,332
Advances Out	(139,332)	-	-	(139,332)
<b>Total Other Financing Sources (Uses)</b>	<b>(885,157)</b>	<b>883,157</b>	<b>2,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(543,717)</b>	<b>297,421</b>	<b>89,576</b>	<b>(156,720)</b>
<b>Fund Balances Beginning of Year</b>	<b>2,146,767</b>	<b>-</b>	<b>370,310</b>	<b>2,517,077</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,603,050</b>	<b>\$ 297,421</b>	<b>\$ 459,886</b>	<b>\$ 2,360,357</b>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,139,163	\$ 1,139,163	\$ 1,239,512	\$ 100,349
Intergovernmental	272,837	272,837	297,922	25,085
Fees, Licenses and Permits	252,250	252,250	106,906	(145,344)
Contractual Services	-	-	65,930	65,930
Charges for Services	41,200	41,200	52,627	11,427
Miscellaneous	1,080	1,080	13,424	12,344
<i>Total Receipts</i>	<u>1,706,530</u>	<u>1,706,530</u>	<u>1,776,321</u>	<u>69,791</u>
<b>Disbursements</b>				
Current:				
Environmental Health				
General Environmental Health	287,299	287,299	273,113	14,186
Plumbing	106,095	106,095	100,856	5,239
Sewage	66,535	66,535	63,250	3,285
Radon	2,327	2,327	2,212	115
Rabies	237	237	225	12
Personal Health				
General Nursing	78,005	78,005	74,153	3,852
Health Education and Partnerships	57,613	57,613	54,768	2,845
Help Me Grow/BCMHS/Speech Therapy	50,325	50,325	47,840	2,485
Clinics	15,059	15,059	14,315	744
Public Health Infrastructure	8,821	8,821	8,385	436
Vital Statistics	76,677	76,677	72,891	3,786
Administration	403,545	403,545	383,619	19,926
General Health District	423,270	423,270	402,371	20,899
<i>Total Disbursements</i>	<u>1,575,808</u>	<u>1,575,808</u>	<u>1,497,998</u>	<u>77,810</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>130,722</u>	<u>130,722</u>	<u>278,323</u>	<u>(147,601)</u>
<b>Other Financing Uses</b>				
Transfers Out	(883,157)	(883,157)	(745,825)	137,332
Advances Out	-	-	(139,332)	(139,332)
<i>Total Other Financing Uses</i>	<u>(883,157)</u>	<u>(883,157)</u>	<u>(885,157)</u>	<u>(2,000)</u>
<i>Net Change in Fund Balances</i>	<u>(752,435)</u>	<u>(752,435)</u>	<u>(606,834)</u>	<u>(149,601)</u>
Prior Year Encumbrances Appropriated	67,342	67,342	67,342	-
<i>Fund Balances Beginning of Year</i>	<u>2,079,425</u>	<u>2,079,425</u>	<u>2,079,425</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,394,332</u>	<u>\$ 1,394,332</u>	<u>\$ 1,539,933</u>	<u>\$ (149,601)</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION 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, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 110,500	\$ 110,500	\$ 146,174	\$ 35,674
Contractual Services	224,406	224,406	191,207	(33,199)
Charges for Services	39,320	39,320	59,558	20,238
<i>Total Receipts</i>	<u>374,226</u>	<u>374,226</u>	<u>396,939</u>	<u>22,713</u>
<b>Disbursements</b>				
Current:				
Environmental Health				
General Environmental Health	65	65	-	65
Personal Health				
General Nursing	381,014	381,014	380,114	900
Health Education and Partnerships	308,976	308,976	266,817	42,159
Help Me Grow/BCMH/Speech Therapy Clinics	272,971	272,971	274,212	(1,241)
	143,963	143,963	101,587	42,376
<i>Total Disbursements</i>	<u>1,106,989</u>	<u>1,106,989</u>	<u>1,022,730</u>	<u>84,259</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(732,763)</u>	<u>(732,763)</u>	<u>(625,791)</u>	<u>(106,972)</u>
<b>Other Financing Sources</b>				
Transfers In	-	883,157	743,825	(139,332)
Advances In	-	-	139,332	139,332
<i>Total Other Financing Sources</i>	<u>-</u>	<u>883,157</u>	<u>883,157</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(732,763)</u>	<u>150,394</u>	<u>257,366</u>	<u>(106,972)</u>
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balances Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ (732,763)</u>	<u>\$ 150,394</u>	<u>\$ 257,366</u>	<u>\$ (106,972)</u>

See accompanying notes to the basic financial statements

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**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

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**Note 1 — Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Union County, Ohio (the District) as a body corporate and politic.

A seven-member Board of Health appointed by the District Advisory Council and the City of Marysville governs the District. The 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 reporting entity is composed of the primary government, component units, and other organization that are included to ensure the financial statements of the District are not misleading.

**A. Primary Government**

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

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District 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 or; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their 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's management believes these basic financial statements present all activities for which the District is financially accountable.

**Note 2 — Summary of Significant Accounting Policies**

As discussed further in Note 2C, 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 Standard Boards (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.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 2 — Summary of Significant Accounting Policies (Continued)**

**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 District. The activities of the District are considered governmental.

Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the District at year-end. The statement of activities compares disbursements and program receipts for each program or function 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 goods or services offered by the program, grants and contributions, including interest 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. Nonmajor 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. All of the District's funds are governmental.

**Governmental Funds**

The District classifies funds financed primarily from intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. 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:

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 2 — Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting (continued)**

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.

The Public Health Nursing Fund accounts fees and non-federal grant revenues for providing public health nursing services and other personal health services.

The Public Health Infrastructure Grant Fund accounts federal pass-through grant revenues and makes disbursements to build capacity for emergency preparedness and, with contractual revenues from other counties, to provide epidemiological services.

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

**C. Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. 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.

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 expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All 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 County Board of Health may appropriate. The appropriation resolution is the County 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 County Board of Health. The legal level of control has been established by the County Board of Health at the object level for all funds.

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.

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 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

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 2 — Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Process (continued)**

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**

As required by the Ohio Revised Code, the Union County Treasurer holds the District's cash as custodian for the District. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount. Deposits and investments disburse for the County as a whole may be obtained from the County, Tamara Lowe, Union County Treasurer, 233 West Sixth Street, Marysville, Ohio 43040, (937) 645-3035.

**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. Interfund Receivables/Payables**

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

**I. 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.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 2 — Summary of Significant Accounting Policies (Continued)**

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

**K. 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 is reported at inception. Lease payments are reported when paid.

**L. 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 resources restricted by grant agreements.

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.

**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 and after nonoperating receipts/cash disbursements in proprietary funds. Repayment from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

**N. 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 and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. A fund balance reserve has been established for outstanding encumbrances at year end.

**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 for the General Fund, Public Health Nursing fund, and Public Health Infrastructure fund (2008 only) are presented 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 disbursements (budgetary basis) rather than as a reservation of fund balance cash basis).

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 3 — Budgetary Basis of Accounting (Continued)**

The encumbrances outstanding at December 31, 2007 (budgetary basis) amounted to \$63,117 for the General fund and \$40,055 for the Public Health Nursing fund, respectively. The encumbrances outstanding at December 31, 2008 (budgetary basis) amounted to \$18,985 for the General fund, \$20,093 for the Public Health Nursing fund, and \$760 for the Public Health Infrastructure fund, respectively.

**Note 4 — Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the County. Real property tax receipts received in 2007 represent the collection of 2006 taxes.

Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannual. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payments dates to be established.

Public utility personal property taxes received in 2007 represent the collection of 2006 taxes. Public utility tangible personal property taxes received in 2007 became a lien on December 31, 2005, were levied after October 1, 2006, and are collected in 2007 with real property taxes. Public utility personal property taxes received in 2008 represent the collection of 2007 taxes. Public utility tangible personal property taxes received in 2008 became a lien on December 31, 2006, were levied after October 1, 2007, and are collected in 2008 with real property taxes. Public utility tangible personal property is currently assessed at vary percentage of true value.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Amounts paid by multi-county taxes are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing district their portion of the taxes collected. The collection and distribution of taxes for all subdivision within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collection is accounted for within the applicable funds.

The full tax rate for all District operation for the year ended December 31, 2007 and December 31, 2008 was for \$1.25 per \$1,000 of assessed value. The assessed values of real property, public utility, and tangible personal property upon which the 2007 and 2008 property tax receipts were are as follows:

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**Note 4 — Property Taxes (Continued)**

	Tax Year 2008	Tax Year 2007
Real Property:		
Agriculture	\$144,645,920	\$143,341,370
Residential	760,810,900	749,480,257
Commercial/Industrial/Mineral	247,841,050	246,298,020
Public Utility Property:		
Real	236,030	208,160
Personal	51,832,720	50,443,010
Tangible Personal Property	0	58,678,930
Total Assessed Value	1,205,366,620	1,248,449,747

**Note 5 — Risk Management**

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

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

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

**Casualty Coverage**

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

**Casualty Coverage**

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. 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. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

**Property Coverage**

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 5 — Risk Management (Continued)**

For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of loss between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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 government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available).

<u>Casualty and Property Coverage</u>	<u>2007</u>	<u>2006</u>
Assets	\$37,560,071	\$36,123,194
Liabilities	<u>(17,340,825)</u>	<u>(16,738,904)</u>
Retained earnings	<u>\$20,219,246</u>	<u>\$19,384,290</u>

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$46,169. This payable includes the subsequent year's contribution due if the District terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 5 — Risk Management (Continued)**

<b><u>Contributions to PEP</u></b>	
2006	\$16,031
2007	\$16,510
2008	\$16,815

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 other 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 the withdrawal.

**Note 6 — Defined Benefit Pension Plans**

The 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) 222-6705 or (800) 222-7377.

For the year ended December 31, 2008, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The District's contribution rate for pension benefits for 2008 was 14.0 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. The District's contribution rate for pension benefits for 2007 was 13.85 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contribution rate for 2008 was 10.0 percent of covered payroll. For the period January 1, through December 30, 2008, a portion of the District's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment healthcare plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the District of 14 percent.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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**Note 6 — Defined Benefit Pension Plans (Continued)**

The District's contribution rate for 2007 was 9.5 percent of covered payroll. For the period January 1, through December 30, 2007, a portion of the District's contribution equal to 6.0 percent of covered payroll was allocated to fund the post-employment healthcare plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the District of 14 percent.

The District's required contributions for pension obligations for the year ended December 31, 2008, 2007, and 2006 were \$227,188, \$223,939, and \$210,016 respectively; 100 percent has been contributed for 2008, 2007, and 2006.

**Note 7 — Postemployment Benefits**

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

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

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 - 7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.0 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 7.0 percent of covered payroll from January 1 through December 31, 2008.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 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 6.0 percent of covered payroll from January 1 through December 31, 2007.

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.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**Note 7 — Postemployment Benefits (Continued)**

The District's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$227,188, \$223,939, and \$210,016 respectively; 100 percent has been contributed for 2008, 2007, and 2006.

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

**Note 8 — Building Lease**

The District's leases office space a under noncancelable lease. The District's disbursed \$102,663 to pay lease costs for the year ended December 31, 2007 and December 31, 2008 respectively. Future lease payments are as follows:

Year	Amount
2009	\$102,663
2010	102,663
2011	102,663
2012	102,663
Total	<u>410,652</u>

**Note 9 — Interfund Transfers**

During 2008, the following transfers were made:

Transfer from General Fund to:	
Public Health Nursing Fund	\$750,000
Total Transfers from the General Fund	<u>750,000</u>

During 2007, the following transfers were made:

Transfer from the General Fund to:	
Public Health Nursing Fund	\$743,825
Sewage Fund	2,000
Total Transfers from the General Funds	<u>745,825</u>

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**Note 10 — Contingent Liabilities**

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

**Note 11 – Accountability/Noncompliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority at the legal level of control for the following funds:

For the Year Ended December 31, 2008

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund			
Environmental Health - Sewage	\$788	\$968	(\$180)
Personal Health - General Nursing	\$559	\$1,202	(\$643)
Personal Health - Help Me Grow/BCMH/ Speech Therapy	\$401	\$482	(\$81)

For the Year Ended December 31, 2007

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Public Health Nursing Fund			
Personal Health - Help Me Grow/BCMH/ Speech Therapy	\$272,971	\$274,212	(\$1,241)

Also, contrary to Ohio law, appropriations exceed estimated resources in original budgeted amounts for 2007 in the amount \$732,763 and in both the original and final budgeted amounts in 2008 for the amount of \$674,675.



# 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*

Union County General Health District  
Union County  
940 London Avenue  
Marysville, Ohio 43040

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 Union County General Health District, Union County, Ohio, (the District) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 10, 2009, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe finding number 2008-001 is also a material weakness.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated August 10, 2009.

### **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 matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 10, 2009.

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

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



**Mary Taylor, CPA**  
Auditor of State

August 10, 2009

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2008-001</b>
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**Material Weakness and Significant Deficiency  
Financial Reporting**

The District utilized Infallible 1 computerized accounting system and had limited monitoring controls over daily cash basis transactions entered into the ledgers. At year-end, the cash basis information from the Infallible 1 ledgers was converted into financial statements reported under an Other Comprehensive Basis of Accounting other than generally accepted accounting principles. Although the District Fiscal Officer prepared the financial statements, Union County is the Fiscal Agent of the District and has the ability to modify certain budgetary information.

9 audit adjustments and reclassifications were necessary to accurately reflect budgetary receipts, budgetary expenditures, advances in & out, and transfers in & out. These adjustments and reclassification ranged in dollar amount from \$1,680 to \$900,000. These adjustments and reclassification included mis-posting of advances & transfers, budgetary receipts not agreeing with the Official Certificate of Estimated Resources, and budgetary disbursements not agreeing with original or amended appropriations measures.

The District has posted the applicable adjustments and reclassifications to their financial statements and accounting records, if necessary.

We recommend the District implement additional procedures to provided assurance over the completeness and accuracy of information reported within the financial statements. Such procedures may include additional reviews of the financial statements including the notes to the financial statements by a member of management and an analytical comparison of the current year annual report to the prior year annual report for obvious errors or omissions. We also recommend the District either adopt their own budgetary presentation or adhere to the year-end budgetary practices of the County.

**Officials' Response:**

The Union County General Health District will implement financial reporting procedures to provide assurance over the completeness and accuracy of information contained within the financial statements. In addition, the District will ensure review of the statements by the Audit Committee.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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<b>Finding Number</b>	<b>2008-002</b>
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**Material Noncompliance  
Appropriations Exceeding Estimated Resources – ORC 3709.28**

Ohio Rev. Code Section 3709.28 states, in part, that the board of health of a general health district shall, annually, on or before the first Monday of April, 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 auditor and by the county auditor submitted to the county budget commission. Subject to estimated resources, the board of health may, by resolution, transfer funds from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriations. Such appropriation modifications shall be certified by the secretary of the board of health to the auditor for submission to and approval by the budget commission.

The following funds had appropriations in excess of estimated resources at the time that original appropriations were adopted for year ended December 31, 2007:

<b>Fund Name</b>	<b>Original Estimated Resources</b>	<b>Original Appropriations</b>	<b>Variance</b>
Public Health Nursing Fund	\$374,226	\$1,106,989	(\$732,763)

The following funds had appropriations in excess of estimated resources at the time that original and final appropriations were adopted for year ended December 31, 2008:

<b>Fund Name</b>	<b>Original Estimated Resources</b>	<b>Original Appropriations</b>	<b>Variance</b>
Public Health Nursing Fund	\$671,547	\$1,346,222	(\$674,675)

This could result in the District expending more money than it receives and could cause possible negative fund balances. A lack of funds may result in the District being unable to meet its current obligations.

We recommend the District ensure that estimated resources are sufficient to cover appropriations at the time of certification or amendment.

**Officials' Response:**

The Union County General Health District will implement the necessary procedures to ensure estimated resources are sufficient to cover appropriations at the time of certification or amendment.

**UNION COUNTY GENERAL HEALTH DISTRICT  
UNION COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	Timely Depositing	Yes	
2006-002	Financial Reporting	No	Repeated as 2008 - 001





**Mary Taylor, CPA**  
Auditor of State

**UNION COUNTY GENERAL HEALTH DISTRICT**

**UNION COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 6, 2009**