



Mary Taylor, CPA
Auditor of State

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

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Mary Taylor, CPA

Auditor of State

District Board of Health
Morgan County
4275 North State Route 376 NW
McConnelsville, Ohio 43756

To the Board of Health:

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

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Mary Taylor, CPA
Auditor of State

October 22, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

District Board of Health
Morgan County
4275 North State Route 376 NW
McConnelsville, Ohio 43756

To the Board of Health:

We have audited the accompanying financial statements of the District Board of Health, Morgan County, Ohio (the District), as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District Board of Health, Morgan County, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

October 22, 2010

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$146,623	\$336,456	\$483,079
Licenses, Permits and Fees	62,535	27,700	90,235
Miscellaneous	11,203	300	11,503
	<u>220,361</u>	<u>364,456</u>	<u>584,817</u>
Total Cash Receipts			
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	134,491	174,580	309,071
Fringe Benefits	18,865	24,256	43,121
Supplies	1,653	10,530	12,183
Remittances to State		4,456	4,456
Equipment		10,976	10,976
Contracts - Repair	186		186
Contracts - Services		14,837	14,837
Travel	948	5,926	6,874
Administrative Fees		1,378	1,378
Advertising and Printing		1,760	1,760
Workers Compensation	2,371	2,920	5,291
Unemployment Compensation	1,678	1,135	2,813
Insurance	26,144	20,457	46,601
Medicare	1,943	2,518	4,461
Other	32,156	23,001	55,157
	<u>220,435</u>	<u>298,730</u>	<u>519,165</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	(74)	65,726	65,652
Fund Cash Balances, January 1	<u>66,774</u>	<u>194,048</u>	<u>260,822</u>
Fund Cash Balances, December 31	<u>\$66,700</u>	<u>\$259,774</u>	<u>\$326,474</u>
Reserves for Encumbrances, December 31	<u>\$60</u>	<u>\$6,333</u>	<u>\$6,393</u>

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

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$145,178	\$334,944	\$480,122
Licenses, Permits and Fees	55,584	28,018	83,602
Contractual Services		5,000	5,000
Miscellaneous	7,871	695	8,566
	<u>208,633</u>	<u>368,657</u>	<u>577,290</u>
Total Cash Receipts			
	<u>208,633</u>	<u>368,657</u>	<u>577,290</u>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	139,897	172,208	312,105
Fringe Benefits	19,825	23,579	43,404
Supplies	1,390	10,695	12,085
Remittances to State		4,989	4,989
Equipment	647	6,480	7,127
Contracts - Repair	429		429
Contracts - Services		9,469	9,469
Travel	1,391	7,462	8,853
Advertising and Printing	479		479
Workers Compensation	3,444	3,679	7,123
Unemployment	1,414	3,817	5,231
Medicare	2,020	2,481	4,501
Insurance		32,979	32,979
Other	55,980	38,792	94,772
	<u>226,916</u>	<u>316,630</u>	<u>543,546</u>
Total Cash Disbursements			
	<u>226,916</u>	<u>316,630</u>	<u>543,546</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(18,283)	52,027	33,744
Fund Cash Balances, January 1	<u>85,057</u>	<u>142,021</u>	<u>227,078</u>
Fund Cash Balances, December 31	<u><u>\$66,774</u></u>	<u><u>\$194,048</u></u>	<u><u>\$260,822</u></u>
Reserves for Encumbrances, December 31	<u><u>\$1,509</u></u>	<u><u>\$178</u></u>	<u><u>\$1,687</u></u>

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

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Morgan County, Ohio (the District), as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. Board members are appointed by the District Advisory Council for staggered five year terms. The District Advisory Council is made up of the president of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district and chairman of the Board of Trustees of each Township. The District's services include referrals to the Bureau of Crippled Children Services Program, communicable disease investigations, immunization clinics, various inspections, birth and death certificates, issuance of various licenses and permits, and other related services.

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

B. Accounting Basis

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

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

C. Cash and Investments

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

D. Fund Accounting

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

1. General Fund

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

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Help Me Grow Grant Fund – This is a federal and state grant fund that accounts for transactions of the Help Me Grow program.

Public Health Emergency Planning (PHEP) Grant Fund – This is a federal grant fund that accounts for the transactions of the PHEP grant fund.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2009 and 2008 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 213,969	\$ 220,361	\$ 6,392
Special Revenue	411,750	364,456	(47,294)
Total	\$ 625,719	\$ 584,817	\$ (40,902)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 264,301	\$ 220,495	\$ 43,806
Special Revenue	635,051	305,063	329,988
Total	\$ 899,352	\$ 525,558	\$ 373,794

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 213,969	\$ 208,633	\$ (5,336)
Special Revenue	411,750	368,657	(43,093)
Total	\$ 625,719	\$ 577,290	\$ (48,429)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 252,903	\$ 228,425	\$ 24,478
Special Revenue	550,815	316,808	234,007
Total	\$ 803,718	\$ 545,233	\$ 258,485

Contrary to Ohio law, appropriations exceeded estimated resources in the Food Service, Trailer Park, Swimming and Help Me Grow Funds for the year ended December 31, 2009 and in the Public Health Emergency Planning (PHEP) Fund for the year ended December 31, 2008.

3. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as Intergovernmental receipts.

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

4. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10.0% of their gross salaries and the District contributed an amount equaling 14.0% of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

5. RISK MANAGEMENT

The District belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The District does not participate in this coverage.

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 40 members as of December 31, 2008. The District does not participate in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. RISK MANAGEMENT (Continued)

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2008 and 2007 (the latest information available), and include amounts for both OPRRM and OPHC:

	2008	2007
Assets	\$10,471,114	\$11,136,455
Liabilities	<u>(5,286,781)</u>	<u>(4,273,553)</u>
Members' Equity	<u>\$5,184,333</u>	<u>\$6,862,902</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

6. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor 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.

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Mary Taylor, CPA

Auditor of State

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

District Board of Health
Morgan County
4275 North State Route 376 NW
McConnelsville, Ohio 43756

To the Board of Health:

We have audited the financial statements of the District Board of Health, Morgan County, Ohio (the District), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated October 22, 2010, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2009-001 to be a significant deficiency. A significant deficiency is a deficiency, or a 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 District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2009-002.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated October 22, 2010.

The District's responses to the findings identified in our audit are 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 management, the audit committee, the Board of Health, and others within the District. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 22, 2010

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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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 (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

Intergovernmental receipts, such as grants, in the amount of \$269,063 for 2009, were posted incorrectly as 'Miscellaneous' receipts in the PHEP, Solid Waste, Help Me Grow, Welcome Home Newborn, Morgan County Lice, BCMH, Homemaker, and Help Me Grow ARRA Special Revenue Funds. Intergovernmental receipts, such as grants, in the amount of \$334,944 for 2008, were posted incorrectly as 'Miscellaneous' receipts in the Bioterrorism, Solid Waste, Medical Reserve, Welcome Home Newborn, Morgan County Lice, BCMH, Homemaker and Help Me Grow Special Revenue Funds.

Without information properly classified and entered into the system, the management of the District lost some degree of fiscal control. These significant reclassifications, with which the District's management agrees, are reflected in the accompanying financial statements.

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

Official's Response: As in a past fiscal audit conducted by the State of Ohio, we will contact the County Auditor's Office with this finding to attempt another effort for correcting this deficiency. We did contact the County Auditor after we had the same finding on our 2007-06 audit, but they declined to set up an intergovernmental line item.

Auditor of State's Conclusion: External financial reporting is management's responsibility. If the County Auditor will not revise the accounting for these transactions, the Board should reclassify this information before submitting it us for audit.

FINDING NUMBER 2009-002

Noncompliance Citation

Ohio Rev. Code Section 3709.28 establishes budgetary requirements for general health districts which are similar to certain Ohio Rev. Code Chapter 5705 budgetary requirements. On or about the first Monday of April, a district shall 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 submitted to the County Budget Commission.

Subject to estimated resources, the Board of Health may, by resolution, transfer funds from one appropriation to another, reduce or increase an item, create new items and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified by the Secretary of the Board of Health to the County Auditor for submission to the County Budget Commission for approval.

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

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

FINDING NUMBER 2009-002 (Continued)

Noncompliance Citation – Ohio Rev. Code Section 3709.28 (Continued)

Appropriation authority exceeded budgeted resources at December 31, 2009 in the following funds:

Fund	Budgeted Resources	Appropriation Authority	Variance
Food Service	\$ 37,693	\$ 39,500	\$ (1,807)
Trailer Park	9,126	9,300	(174)
Swimming Pool	2,413	2,661	(248)
Help Me Grow	211,377	245,000	(33,623)

Appropriation authority exceeded budgeted resources at December 31, 2008 in the following funds:

Fund	Budgeted Resources	Appropriation Authority	Variance
PHEP	\$ 137,079	\$ 144,477	\$ (7,398)

This could result in the District spending more than is available to spend.

We recommend the District monitor appropriations compared to estimated resources throughout the year and limit appropriations up to the amount of estimated resources.

Official's Response: We will make a better effort to correct the variance issue with the appropriations by requesting the appropriate Amended Certificates when required adjustment is needed.

**DISTRICT BOARD OF HEALTH
MORGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
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 Rev. Code Section 3709.28 was cited for having appropriations in excess of budgeted resources.	No	Repeated as Finding Number 2009-002.
2007-002	Ohio Admin. Code 117-2-02(A) was cited for incorrectly classifying receipts.	No	Repeated as Finding Number 2009-001.

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Mary Taylor, CPA
Auditor of State

MORGAN COUNTY DISTRICT BOARD OF HEALTH

MORGAN 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
NOVEMBER 18, 2010**