



Dave Yost • Auditor of State



**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

District Board of Health  
Licking County  
675 Price Road  
Newark, Ohio 43055

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of District Board of Health, Licking County, Ohio, (the District) as of and for the year ended December 31, 2010, 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 District Board of Health, Licking County, Ohio, as of December 31, 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General, Women, Infants and Children and Public Health Emergency Preparedness Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The Federal Awards Expenditure Schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Federal Awards Expenditure Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State

August 24, 2011

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
UNAUDITED**

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The Management's Discussion and Analysis of the District Board of Health, Licking County (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2010, within the limitations of the District's cash basis of accounting. The intent of this Management's 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 the basic financial statements to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2010 are as follows:

- Net assets increased by \$614,169.
- Total Disbursements increased by \$ 547,143 as the District continues to provide services for the public during the economic downturn.
- Employees covered by state union contract voted to dissolve the bargaining unit.
- Additional Public Health Emergency Readiness funds were made available in the amount of \$355,594

**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.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and long-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. Under the District's cash basis of accounting, cash receipts and cash 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.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
UNAUDITED**

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**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District performed financially during 2010, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities – Cash Basis compares cash disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the 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, the reliance on non-local financial resources for operations and the need for continued growth.

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the District's major programs are reported. Charges for services and state and federal grants finance most of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

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 Funds*** -The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, Women, Infants and Children's Fund, and the Public Health Emergency Preparedness Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.



**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
UNAUDITED**

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2010 compared to 2009 on a cash basis:

**Table 1  
Net Assets – Cash Basis**

	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 1,308,859	\$ 694,690
<i>Total Assets</i>	<u>\$ 1,308,859</u>	<u>\$ 694,690</u>
<b>Net Assets</b>		
<b>Restricted for:</b>		
Women, Infants, & Children	\$ 99,878	\$ 47,526
Solid Waste	\$ 19,040	\$ 50,112
Construction and Demolition Debris	\$ 105,778	\$ 23,773
Sewage Treatment	\$ 77,965	\$ 64,468
Home Health	\$ -	\$ 697
<b>Unrestricted</b>	<u>\$ 1,006,198</u>	<u>\$ 508,114</u>
<i>Total Net Assets</i>	<u>\$ 1,308,859</u>	<u>\$ 694,690</u>
INCREASE (DECREASE)	\$ 614,169	\$ 106,020

As mentioned previously, net assets increased \$614,169 and are primarily associated with the additional grant funds to address the H1N1 Flu outbreak received during 2010. In addition, new grant monies were received to fund the Early Head Start program in 2010.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
UNAUDITED**

Table 2 reflects the changes in net assets in 2010 and 2009:

(Table 2)

**Changes in Net Assets**

	Total	
	2010	2009
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$1,684,429	\$1,436,658
Operating Grants and Contributions	2,318,294	1,515,342
Total Program Receipts	4,002,723	2,952,000
General Receipts:		
Grants and Entitlements Not Restricted to Specific Programs	1,389,645	1,384,838
Miscellaneous	5,386	5,624
Total General Receipts	1,395,031	1,390,462
Total Receipts	5,397,754	4,342,462
 Disbursements:		
Administration	1,156,481	1,027,525
Environmental Health	1,159,664	68,941
Solid Waste	100,533	1,391,563
Nursing	1,552,734	507,297
Health Promotion and Planning	248,172	239,497
Women, Infants, & Children	566,001	1,001,619
Total Disbursements	4,783,585	4,236,442
Net Change in Fund Balance	614,169	106,020
Net Assets, January 1	694,690	588,670
Net Assets, December 31	\$1,308,859	\$694,690

In 2010, 70% of the District's total receipts were from state, federal, non-profit, and private donations and awards, 30% were from charges for services, permits, and other fees, and less than 1% were from miscellaneous sources.

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Environmental Health (24%), WIC (12%), Nursing (32%) and Administration (24%). Table 3 compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
UNAUDITED**

(Table 3)

**Governmental Activities**

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
Administration	\$1,156,481	\$946,290	\$1,001,619	\$812,491
Environmental Health	\$1,159,664	\$49,124	\$1,027,525	\$171,917
Solid Waste	100,533	4,732	68,941	(35,548)
Nursing	1,552,734	396,773	1,391,563	656,781
Health Education	248,172	(539,103)	239,497	(411,778)
Women, Infant, & Children	566,001	(76,956)	507,297	90,579
<b>Total Expenses</b>	<b>\$4,783,585</b>	<b>\$780,860</b>	<b>\$4,236,442</b>	<b>\$1,284,442</b>

The District has tried to diversify its revenue sources and limit its dependence upon distributions from townships, cities, and villages and local subsidies by actively pursuing grants and charging rates for services that are closely related to costs.

**The District's Funds**

The governmental funds had total receipts of \$5,397,754 and disbursements of \$4,783,585. The governmental funds had an increase in the cash balance of \$614,169.

The fund balance of the General Fund increased by \$355,876 to \$983,723 at year-end. The General Fund increase is partially attributed to the shifting of salaries and other expenses from the General Fund to the Public Health Emergency Fund. The Public Health Emergency Preparedness Fund balance increased by \$142,207. The Women, Infants, and Children's Fund balance increased by \$52,352 to \$99,878.

**General Fund Budgeting Highlights**

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

Actual receipts were \$99,269 greater than estimated receipts. Final appropriations were \$3,654,476 which was \$184,421 higher than original appropriations. Final expenditures of \$3,559,081 were \$95,395 less than final appropriations.

**Contacting the District's Financial Management**

This financial report is designed 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 R. Joseph Ebel, Health Commissioner.

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**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2010**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash with Fiscal Agents	\$ 1,308,859
<i>Total Assets</i>	<u>\$ 1,308,859</u>
<b>Net Assets</b>	
Restricted for:	
Women, Infants, & Children	\$ 99,878
Solid Waste	19,040
Construction and Demolition Debris	105,778
Sewage Treatment	77,965
Unrestricted	<u>1,006,198</u>
<i>Total Net Assets</i>	<u>\$ 1,308,859</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Administration	\$ 1,156,481	\$ 210,191	\$ -	\$ (946,290)
Environmental Health	1,159,664	1,102,364	8,176	(49,124)
Solid Waste	100,533	-	95,800	(4,733)
Nursing	1,552,734	306,129	849,832	(396,773)
Health Promotion and Planning	248,172	65,745	721,530	539,103
Women, Infants, & Children	566,001	-	642,956	76,955
<i>Total Governmental Activities</i>	\$ 4,783,585	\$ 1,684,429	\$ 2,318,294	\$ (780,862)
<b>General Receipts</b>				
				\$ 1,389,645
				5,386
				1,395,031
				614,169
				694,690
				\$ 1,308,859

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

	General	Women, Infants, and Children	Public Health Emergency Preparedness	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash with Fiscal Agents	\$ 983,723	\$ 99,878	\$ 22,474	\$ 202,784	\$ 1,308,859
	<u>\$ 983,723</u>	<u>\$ 99,878</u>	<u>\$ 22,474</u>	<u>\$ 202,784</u>	<u>\$ 1,308,859</u>
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	\$ 28,448	\$ 31,311	\$ -	\$ 26,937	\$ 86,697
Unreserved:					
Designated for Budget Stabilization	147,592	19,835	-	-	167,427
Undesignated (Deficit), Reported in:					
General Fund	807,683	-	-	-	807,683
Special Revenue Funds	-	48,732	22,474	175,847	247,053
<i>Total Fund Balances</i>	<u>\$ 983,723</u>	<u>\$ 99,878</u>	<u>\$ 22,474</u>	<u>\$ 202,784</u>	<u>\$ 1,308,859</u>

See accompanying notes to the basic financial statements

DISTRICT BOARD OF HEALTH  
LICKING COUNTY

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Women, Infants, and Children	Public Health Emergency Preparedness	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Intergovernmental	\$ 2,538,209	\$ 642,956	\$ 496,719	\$ 95,800	\$ 3,773,684
Fines, Licenses and Permits	781,405	-	-	299,525	1,080,930
Charges for Services	536,508	-	-	1,246	537,754
Miscellaneous	5,386	-	-	-	5,386
<i>Total Receipts</i>	<u>3,861,508</u>	<u>642,956</u>	<u>496,719</u>	<u>396,571</u>	<u>5,397,754</u>
<b>Disbursements</b>					
Environmental Health	929,303	-	-	230,361	1,159,664
Solid Waste	-	-	-	100,533	100,533
Nursing	1,504,502	-	46,289	1,943	1,552,734
WIC	397	565,604	-	-	566,001
Health Promotion and Planning Administration	95,891	-	152,281	-	248,172
	1,000,539	-	155,942	-	1,156,481
<i>Total Disbursements</i>	<u>3,530,632</u>	<u>565,604</u>	<u>354,512</u>	<u>332,837</u>	<u>4,783,585</u>
<i>Excess of Receipts Over Disbursements</i>	<u>330,876</u>	<u>77,352</u>	<u>142,207</u>	<u>63,734</u>	<u>614,169</u>
<b>Other Financing Sources (Uses)</b>					
Advances In	25,000	-	-	-	25,000
Advances Out	-	(25,000)	-	-	(25,000)
<i>Total Other Financing Sources (Uses)</i>	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	355,876	52,352	142,207	63,734	614,169
<i>Fund Balances Beginning of Year</i>	<u>627,847</u>	<u>47,526</u>	<u>(119,733)</u>	<u>139,050</u>	<u>694,690</u>
<i>Fund Balances End of Year</i>	<u>\$ 983,723</u>	<u>\$ 99,878</u>	<u>\$ 22,474</u>	<u>\$ 202,784</u>	<u>\$ 1,308,859</u>

See accompanying notes to the basic financial statements



**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 2,203,246	\$ 2,543,330	\$ 2,538,209	\$ (5,120)
Fines, Licenses and Permits	684,410	719,410	781,405	61,995
Charges for Services	542,500	492,500	536,508	44,008
Miscellaneous	7,000	7,000	5,386	(1,614)
<b>Total Receipts</b>	<b>3,437,156</b>	<b>3,762,240</b>	<b>3,861,508</b>	<b>99,269</b>
<b>Disbursements</b>				
Current:				
Salaries	1,995,949	1,952,549	1,956,107	(3,558)
OPERS	415,545	384,545	379,224	5,321
Health Insurance	390,296	385,296	382,612	2,684
Medicare	29,039	29,039	28,325	714
Worker's Comp	46,258	35,021	35,021	(0)
Unemployment	12,000	18,000	16,814	1,186
Office-Supplies	77,314	67,244	63,009	4,234
Contract Services	96,156	229,610	223,772	5,838
Travel	17,110	13,458	12,179	1,280
Other Expenses	13,000	13,000	10,867	2,133
Board Expenses	9,600	9,000	7,040	1,960
Equipment	53,174	105,331	103,908	1,423
Medical Supplies	85,000	136,144	86,419	49,725
Professional Ed/Dues	14,114	18,494	18,444	50
State Remittance	145,000	166,959	156,955	10,004
H2O Samples	8,500	8,224	6,407	1,817
TB-Other	7,000	9,617	2,499	7,119
Mosquito Control Supplies	5,000	23,000	22,391	609
Refund	5,000	6,097	4,791	1,306
Grant Supplies	45,000	43,848	42,298	1,550
<b>Total Disbursements</b>	<b>3,470,055</b>	<b>3,654,476</b>	<b>3,559,081</b>	<b>95,395</b>
<b>Excess of Receipts Over/(Under) Disbursements</b>	<b>(32,899)</b>	<b>107,764</b>	<b>330,876</b>	<b>3,874</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	50,000	-	(50,000)
Transfers Out	(25,000)	(110,000)	-	110,000
Advances In	-	-	25,000	25,000
<b>Total Other Financing Sources (Uses)</b>	<b>(25,000)</b>	<b>(60,000)</b>	<b>25,000</b>	<b>85,000</b>
<b>Net Change in Fund Balances</b>	<b>(57,899)</b>	<b>47,764</b>	<b>355,876</b>	<b>88,874</b>
Prior Year Encumbrances Appropriated	69,421	69,421	69,421	-
<b>Fund Balances Beginning of Year</b>	<b>558,427</b>	<b>558,427</b>	<b>558,427</b>	<b>-</b>
<b>Fund Balances End of Year</b>	<b>\$ 569,949</b>	<b>\$ 675,612</b>	<b>\$ 955,275</b>	<b>\$ 88,874</b>

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
WOMEN, INFANTS, AND CHILDREN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Intergovernmental	\$ 580,000	\$ 627,665	\$ 642,956	\$ 15,291
<i>Total Receipts</i>	<u>580,000</u>	<u>627,665</u>	<u>642,956</u>	<u>15,291</u>
<b>Disbursements</b>				
Current:				
Salaries	340,000	347,455	347,455	-
OPERS	69,700	69,700	69,700	-
Health Insurance	108,843	136,397	136,397	-
Medicare	4,930	4,930	4,612	318
Worker's Comp	8,612	6,157	6,157	-
Supplies	7,525	8,168	7,957	211
Contract Services	15,151	15,406	14,246	1,160
Travel	5,600	5,268	2,452	2,816
Equipment	300	6,300	5,937	363
Professional Ed/Dues	600	2,200	2,002	198
<i>Total Disbursements</i>	<u>561,261</u>	<u>601,982</u>	<u>596,915</u>	<u>5,066</u>
<i>Excess of Receipts Over Disbursements</i>	<u>18,739</u>	<u>53,238</u>	<u>77,352</u>	<u>10,225</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	25,000	25,000	-	(25,000)
Transfers Out	(50,000)	(45,712)	-	45,712
Advances Out	-	-	(25,000)	(25,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(25,000)</u>	<u>(20,712)</u>	<u>(25,000)</u>	<u>(4,288)</u>
<i>Net Change in Fund Balances</i>	(6,261)	32,526	52,352	33,491
Prior Year Encumbrances Appropriated	3,107	3,107	3,107	-
<i>Fund Balances Beginning of Year</i>	<u>44,419</u>	<u>44,419</u>	<u>44,419</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 41,265</u>	<u>\$ 80,051</u>	<u>\$ 68,567</u>	<u>\$ 5,937</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
PUBLIC HEALTH EMERGENCY PREPAREDNESS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Intergovernmental	\$ 496,719	\$ 496,719	\$ 496,719	\$ -
<i>Total Receipts</i>	496,719	496,719	496,719	-
<b>Disbursements</b>				
Current:				
Salaries	92,846	92,846	92,846	-
OPERS	22,424	22,424	22,424	-
Health Insurance	82,596	82,596	82,596	-
Medicare	1,586	1,586	1,586	-
Worker's Comp	2,778	2,778	2,778	-
Office-Supplies	12,233	12,233	12,233	-
Contract Services	41,893	41,893	41,893	-
Travel	1,172	1,172	1,172	-
Equipment	96,826	96,826	96,826	-
Professional Ed/Dues	158	158	158	-
<i>Total Disbursements</i>	354,512	354,512	354,512	-
<i>Net Change in Fund Balances</i>	142,207	142,207	142,207	-
<i>Fund Balances Beginning of Year</i>	(119,733)	(119,733)	(119,733)	-
<i>Fund Balances End of Year</i>	\$ 22,474	\$ 22,474	\$ 22,474	\$ -

See accompanying notes to the basic financial statements

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**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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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, Licking County, Ohio, (the District) as a body corporate and politic. An eleven-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinic inspections, public health nursing services, and issues health-related licenses and permits.

**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. 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 does not have any component units.

The District is associated with a related organization and an insurance purchasing pool. These organizations are the Public Health Partnership of Licking County and the Public Entities Pool of Ohio (PEP). These organizations are discussed in Notes 7 and 4 to the basic financial statements.

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

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

As discussed further in Note 2, 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. The following are the more significant of the District's accounting policies.

**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.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)**

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through intergovernmental receipts or other nonexchange transactions, charges for services, and fines, licenses, and permits. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The statement of net assets presents the cash balances, cash receipts, and cash disbursements 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 that are restricted to meeting the operational requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the 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 funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented in one category, governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

The Women, Infants, and Children Special Revenue Fund accounts for federal grant monies for the Women, Infants, and Children Program.

The Public Health Emergency Preparedness Special Revenue Fund accounts for federal grant monies for public health infrastructure and emergency planning efforts.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)**

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

**B. Fund Accounting (continued)**

**Governmental Funds (continued)**

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. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

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

**D. Budgetary Process**

All funds 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 budget demonstrates a need or increased assessment to political subdivisions. The County Budget Commission reviews and amends or approves the District's budget in December of the preceding year. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

ORC Section 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 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.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)**

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

**D. Budgetary Process (continued)**

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

**E. Cash and Investments**

The Licking County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash, which is reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Licking County Treasurer's Office.

**F. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted assets at December 31, 2010.

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Interfund Receivables/Payables**

The District reports advances-in and advances-out for interfund loans. There were no outstanding advances at December 31, 2010.

**J. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 5 and 6, the employer contributions include portions for pension benefits and for postretirement health care benefits.



**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)**

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

**L. Long-Term Obligations**

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

**M. Net Assets**

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. The government-wide statement of net assets reports \$302,661 of restricted assets, of which none is restricted by enabling legislation.

**N. Fund Balance Reserves/Designations**

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. The District has designated monies for the purpose of stabilizing the budget against cyclical changes in revenues and expenditures in according with Ohio Revised Code Section 5705.13. The amounts designated in the General and Women, Infant, and Children's Funds at December 31, 2010 were \$147,592 and \$19,835 respectively. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**O. Interfund Transactions**

Transfers between governmental funds are eliminated for reporting purposes on the government-wide financial statements.

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

**Note 3 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)**

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

General Fund	\$28,448
Major Special Revenue Funds:	
Women, Infants, and Children Fund	31,311

**Note 4 - 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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

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, 2009 and 2008 (latest information available).

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

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the District's share of these unpaid claims collectible in future years is approximately \$21,000

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)**

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**Note 4 - Risk Management (Continued)**

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.

<b><u>Contributions to PEP</u></b>		
<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
22,523	\$21,336	\$20,164

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. 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 5 - Defined Benefit Pension Plans**

Plan Description – The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2010, member and employer contribution rates were consistent across all three plans.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)**

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**Note 5 - Defined Benefit Pension Plans (Continued)**

The District's 2010 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$332,259, \$283,653, and \$261,866, respectively; 100 percent has been contributed for 2010, 2009 and 2008. No contributions were made by to the Member Directed plan for 2010.

**Note 6 - Postemployment Benefits**

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)**

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**Note 6 - Postemployment Benefits (Continued)**

contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$148,587, \$138,873, and \$130,933, respectively; 100 percent has been contributed for 2010, 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

**Note 7 - Related Organization**

The District is associated with the Public Health Partnership of Licking County, a not-for-profit Section 501(C)(3) created under the Internal Revenue Code to provide charitable activities and financial support to the District's employees and programs and to care for the sick, elderly, injured, and disabled and to further the treatment and prevention of injury or disease and promote general health programs. This related organization is directed by a seven-member Board with the District's Health Commissioner serving as a member. The Board has no financial responsibility for the operations of the related organization and did not contribute to its operations during 2010.

**Note 8 - Contingent Liabilities**

**A. Grants**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any such disallowed claims could have a material adverse affect on the overall financial position of the District at December 31, 2010.

**B. Litigation**

The District is not currently involved in any new or outstanding litigation.

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**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. Department of Agriculture</b>			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	0451011WA0210	10.557	\$ 565,603 -
<b>United States Department of the Environmental Protection Agency</b>			
<i>Passed Through Ohio Department of Health</i>			
State Indoor Radon Grant	04510012IR0310	66.032	41,672
<b>Office of Juvenile Justice and Delinquency</b>			
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Drug-Free Alliance	N/A	16.727	2,000
<b>United States Department of Transportation</b>			
<i>Passed-through Ohio Department of Public Safety</i>			
State and Community Highway Safety	SC-2010-45-00-00-00372-01	20.600	31,903
<b>United States Department of Health and Human Services:</b>			
<i>Passed-through Ohio Department of Health:</i>			
Public Health Emergency Preparedness	04510012PH0110	93.069	359,214
Immunization Grants	04510012IM0310	93.268	74,650
Centers for Disease Control and Prevention Investigations and Technical Assistance	04510014TP0111/ 04510014BC0110	93.283	198,941
Maternal and Child Health Services Block Grant to the States	04510011MC0310/ 04510011DS0310	93.994	<u>90,268</u>
Total U.S. Department of Health and Human Services			<u><b>723,073</b></u>
<b>Total</b>			<u><b>\$ 1,364,251</b></u>

*The accompanying notes are an integral part of this schedule.*

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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





# Dave Yost • 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  
Licking County  
675 Price Road  
Newark, Ohio 43055

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Board of Health, Licking County, Ohio, (the District) as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

### Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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District Board of Health  
Licking County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 24, 2011.

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

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

**Dave Yost**  
Auditor of State

August 24, 2011



# Dave Yost • Auditor of State

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

District Board of Health  
Licking County  
675 Price Road  
Newark, Ohio 43055

To the Members of the Board:

### Compliance

We have audited the compliance of District Board of Health, Licking County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District Board of Health complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

### Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 24, 2011

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2010**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Special Supplemental Nutrition Program For Women, Infants, And Children (WIC) – CFDA# 10.557  Centers for Disease Control and Prevention Investigations and Technical Assistance – CFDA# 93.283
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

LICKING COUNTY DISTRICT BOARD OF HEALTH

LICKING COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
SEPTEMBER 29, 2011