

**MANSFIELD-ONTARIO-RICHLAND COUNTY
BOARD OF HEALTH
RICHLAND COUNTY
Single Audit
For the Year Ended December 31, 2011**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Members of the Board
Mansfield-Ontario-Richland County Board of Health
555 Lexington Ave.
Mansfield, Ohio 44907

We have reviewed the *Independent Accountants' Report* of the Mansfield-Ontario-Richland County Board of Health, Richland County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Mansfield-Ontario-Richland County Board of Health is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 26, 2011

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**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2011.....	3
Notes to the Financial Statements.....	4
Schedule of Receipts and Expenditures of Federal Awards	11
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	12
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	14
Schedule of Audit Findings	16

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INDEPENDENT ACCOUNTANTS' REPORT

April 27, 2012

Mansfield-Ontario-Richland County Board of Health
Richland County
555 Lexington Avenue
Mansfield, OH 44907

To the Members of the Board:

We have audited the accompanying financial statements of the **Mansfield-Ontario-Richland County Board of Health**, Richland County, Ohio, (the Board) as of and for the year ended December 31, 2011. These financial statements are the responsibility of the Board'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 Board 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 Board's larger (i.e. major) funds separately. While the Board 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 governments to reformat their statements. The Board 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 year ended December 31, 2011 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Board as of December 31, 2011 or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Mansfield-Ontario-Richland County Board of Health, Richland County, as of December 31, 2011, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1B describes.

As described in Note 2, during 2011 the Board adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2012, on our consideration of the Board'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.

We conducted our audit to opine on the Board's financial statements taken as a whole. The schedule of receipts and expenditures of federal awards 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 financial statements. The schedule of receipts and expenditures of federal awards is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the 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 financial statements or to the 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 financial statements taken as a whole.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 2,521,358	\$ -	\$ 2,521,358
Charges for Services	460,922	1,006,443	1,467,365
Fees, Licenses and Permits	142,287	368,557	510,844
Intergovernmental	459,087	1,796,889	2,255,976
Donations	147	277	424
Miscellaneous	7,419	-	7,419
	<u>3,591,220</u>	<u>3,172,166</u>	<u>6,763,386</u>
Total Cash Receipts			
	<u>3,591,220</u>	<u>3,172,166</u>	<u>6,763,386</u>
Cash Disbursements:			
Current:			
Health:			
Personal Services	2,126,030	3,469,490	5,595,520
Materials and Supplies	60,007	167,122	227,129
Contractual Services	275,081	548,820	823,901
Capital Outlay	24,298	585	24,883
Debt Service:			
Redemption of Principal	35,000	-	35,000
Interest and Fiscal Charges	2,800	-	2,800
	<u>2,523,216</u>	<u>4,186,017</u>	<u>6,709,233</u>
Total Cash Disbursements			
	<u>2,523,216</u>	<u>4,186,017</u>	<u>6,709,233</u>
Excess of Receipts Over/(Under) Disbursements	<u>1,068,004</u>	<u>(1,013,851)</u>	<u>54,153</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	-	1,166,078	1,166,078
Transfers-Out	(1,166,078)	-	(1,166,078)
	<u>(1,166,078)</u>	<u>1,166,078</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(1,166,078)</u>	<u>1,166,078</u>	<u>-</u>
Net Change in Fund Cash Balances	(98,074)	152,227	54,153
Fund Cash Balances, January 1	<u>3,128,299</u>	<u>821,794</u>	<u>3,950,093</u>
Fund Cash Balances, December 31:			
Nonspendable	60,007	167,123	227,130
Restricted	-	651,081	651,081
Committed	-	155,817	155,817
Unassigned	2,970,218	-	2,970,218
	<u>2,970,218</u>	<u>-</u>	<u>2,970,218</u>
Fund Cash Balances, December 31	<u>\$ 3,030,225</u>	<u>\$ 974,021</u>	<u>\$ 4,004,246</u>

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

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Mansfield-Ontario-Richland County Board of Health, Richland County, Ohio, (the Board) is a body corporate and politic established under Ohio Revised Code § 3709.01, for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Board operates under the direction of a 13 member Board of Health and a 29 member Board of Health advisory board. Services provided by the Board include medical assistance and public safety. Also, Women, Infants and Children's Program (WIC) (with its own director and advisory board) are under the auspices of the Board of Health.

As boards of health are structured in Ohio, the County Auditor and County Treasurer serve, respectively, as fiscal officer and custodian of funds for the Board. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments. As the custodian of public funds, the County Treasurer invests Board monies held on deposit in the County Treasury.

The Board's management believes these financial statements present all activities for which the Board 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 Board 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. Deposits and Investments

As required by Ohio Revised Code, the Richland County Treasurer is custodian for the Board's deposits. The Board's assets are held in the County's deposits and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Board uses fund accounting to segregate cash and investments that are restricted as to use. The Board 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.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Board had the following significant Special Revenue Funds:

General Clinic Fund - This fund receives charges for services money for providing medical care to county residents.

Women, Infants, and Children (WIC) Fund - This is a Federal grant fund and accounts for the Special Supplemental Nutrition Program.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of budgetary activity appears in Note 3.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Board must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Board classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

The Board can *commit* amounts via formal action (resolution). The Board must adhere to these commitments unless the Board amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a Board official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Board applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property, Plant and Equipment

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

H. Accumulated Unpaid Vacation and Sick Leave

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

2. EQUITY IN POOLED DEPOSITS

The Richland County Auditor serves as fiscal agent for the Board and the investments of County funds, including Board funds, is determined by the Richland County Treasurer. By law, control over investments is handled by the County Treasurer.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2011 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,707,466	\$ 3,591,220	\$ (116,246)
Special Revenue	5,563,393	4,338,244	(1,225,149)
Total	\$ 9,270,859	\$ 7,929,464	\$ (1,341,395)

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 5,445,107	\$ 3,689,294	\$ 1,755,813
Special Revenue	5,689,528	4,186,017	1,503,511
Total	\$ 11,134,635	\$ 7,875,311	\$ 3,259,324

4. PROPERTY TAXES

Real property becomes a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

4. PROPERTY TAXES (CONTINUED)

Public utility property tax receipts received represent the collection of the previous year's taxes. Public utility real and tangible personal property taxes received in the current year became a lien on December 31, were levied after October 1 of the previous year, and are collected with real property taxes. Public utility real property is assessed at 35% of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Richland County Auditor is responsible for assessing property, and for billing, collecting and distributing all property taxes on behalf of the Board.

5. RETIREMENT SYSTEMS

The Board's officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multi-employer plan. This plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2011, members of OPERS contributed 10% of their gross salaries. The Board contributed an amount equal to 14% of participants' gross salaries. The Board has paid all contributions required through December 31, 2011.

6. RISK MANAGEMENT

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

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

The Board 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, 2010, 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.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

6. RISK MANAGEMENT (CONTINUED)

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, 2010 and 2009 (the latest information available).

	<u>2010</u>	<u>2009</u>
Assets	\$34,952,010	\$36,374,898
Liabilities	<u>(14,320,812)</u>	<u>(15,256,862)</u>
Net Assets	<u>\$20,631,198</u>	<u>\$21,118,036</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Board's share of these unpaid claims collectible in future years is approximately \$23,000.

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.

<u>Contributions to PEP</u>	
<u>2011</u>	<u>2010</u>
\$ 24,595	\$ 19,728

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.

7. DEBT

Outstanding general obligation bonds consist of bonds related to the Board's new facility. General obligation bonds are direct obligations of both the Mansfield-Ontario-Richland County Board of Health and Richland County for which their full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in County.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

7. DEBT (CONTINUED)

During 2011, the Board paid principal and interest of \$37,800 on this debt, while the County paid an additional \$45,000 on behalf of the Board. Richland County is required to pay principal of \$40,000 each year for the life of the bond issue for a total of \$280,000. The County paid an additional \$5,000 in principal in 2011. As of December 31, 2011, there is no outstanding debt balance for the Board.

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies 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.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Receipts	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the Ohio District 5 Area Agency on Aging, Inc.</i>				
Special Programs for the Aging Title III Part D-Disease Prevention and Health Promotion Services	93.043	SS08-003-3D SS09-003-3D	\$ 2,905 2,662	\$ 8,242 10,826
Total Special Programs for the Aging Title III Part D-Disease Prevention and Health Promotion Services			<u>5,567</u>	<u>19,068</u>
Special Programs for the Aging Title III Part D-Grants for Supportive Services and Senior Centers	93.044	SS08-003-3D SS09-003-3D	2,791 12,667	74 55,265
Total Special Programs for the Aging Title III Part D-Grants for Supportive Services and Senior Centers			<u>15,458</u>	<u>55,339</u>
Total Ohio District 5 Area Agency on Aging, Inc.			<u>21,025</u>	<u>74,407</u>
<i>Passed through the Ohio Department of Health</i>				
Public Health Emergency Preparedness	93.069	07010012PH0211	<u>124,995</u>	<u>131,293</u>
Immunization Action Grant	93.268	07010012IM0310 07010012IM0411	2,456 55,050	1,940 57,276
Total Immunization Action Grant			<u>57,506</u>	<u>59,216</u>
Breast and Cervical Cancer Early Detection Program	93.283	07010014BC0411 07010014BC0512	82,315 79,920	87,685 78,223
Total Breast and Cervical Cancer Early Detection Program			<u>162,235</u>	<u>165,908</u>
Maternal and Child Health Services Block Grant to the States	93.994	07010011MC0411 07010011MC0512	98,430 98,760	118,819 67,713
Total Maternal and Child Health Services Block Grant to the States			<u>197,190</u>	<u>186,532</u>
Preventive Health and Services Block Grant Creating Healthy Communities	93.991	07010014CC0211 07010014CC0312	18,750 68,809	3,605 68,915
Total Preventive Health and Services Block Grant Creating Healthy Communities			<u>87,559</u>	<u>72,520</u>
Total Ohio Department of Health			<u>629,485</u>	<u>615,469</u>
Total U.S. Department of Health and Human Services			<u>650,510</u>	<u>689,876</u>
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through the Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	07010011WA0411 07010011WA0512	662,701 227,919	641,076 171,990
Total Special Supplemental Nutrition Program for Women, Infants and Children			<u>890,620</u>	<u>813,066</u>
Total U.S. Department of Agriculture			<u>890,620</u>	<u>813,066</u>
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed through the Ohio Department of Public Safety</i>				
State and Community Highway Safety Grant	20.600	SC-2011-70-00-00-00 SC-2012-70-00-00-00	31,383 -	26,877 4,205
Total State and Community Highway Safety Grant			<u>31,383</u>	<u>31,082</u>
Total U.S. Department of Transportation			<u>31,383</u>	<u>31,082</u>
Total Federal Financial Assistance			<u>\$ 1,572,513</u>	<u>\$ 1,534,024</u>

Note A: The Schedule of Receipts and Expenditures of Federal Awards (the Schedule) summarizes activity of the Board's federal award programs. The Schedule has been prepared on the cash basis of accounting.

Note B: Certain Federal programs require that the Board contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Board has complied with the matching requirements. The expenditures of non-Federal matching funds are not included on the Schedule.

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

April 27, 2012

Mansfield-Ontario-Richland County Board of Health
Richland County
555 Lexington Avenue
Mansfield, OH 44907

To the Members of the Board:

We have audited the financial statements of the **Mansfield-Ontario-Richland County Board of Health**, Richland County, Ohio (the Board) as of and for the year ended December 31, 2011, and have issued our report thereon dated April 27, 2012, wherein we noted the Board followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and has adopted Governmental Accounting Standards Board Statement No. 54. 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 Board'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 Board's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Board'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 Board'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.

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

Compliance and Other Matters

As part of reasonably assuring whether the Board'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*.

We did note certain matters not requiring inclusion in this report that we reported to the Board's management in a separate letter dated April 27, 2012.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

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**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**

April 27, 2012

Mansfield-Ontario-Richland County Board of Health
Richland County
555 Lexington Avenue
Mansfield, OH 44907

To the Members of the Board:

Compliance

We have audited the compliance of the **Mansfield-Ontario-Richland County Board of Health**, Richland County, Ohio, (the Board) 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 the Board's major federal program for the year ended December 31, 2011. The summary of auditor's results section of the accompanying schedule of audit findings identifies the Board's major federal program. The Board'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 opine on the Board's compliance based on our audit.

Our compliance audit followed 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*. These 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 Board's compliance with these 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 Board's compliance with these requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2011.

Internal Control over Compliance

The Board'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 Board'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 Board's internal control over compliance.

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

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

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY**

**SCHEDULE OF AUDIT FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



Dave Yost • Auditor of State

MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH

RICHLAND 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
AUGUST 07, 2012**