

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**SINGLE AUDIT**

**JANUARY 1, 2008 – DECEMBER 31, 2008**





# Mary Taylor, CPA

Auditor of State

Board of Directors  
District Board of Health  
675 Price Road  
Newark, Ohio 43055

We have reviewed the *Independent Auditors' Report* of the District Board of Health, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

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 District Board of Health is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

May 21, 2009

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**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

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

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Board of Health, Licking County, Ohio (the District), as of and for the year ended December 31, 2008, 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 basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Board of Health, Licking County, Ohio as of December 31, 2008, and the respective changes in cash financial position and the respective budgetary comparisons of the General and Women, Infants, and Children's Funds thereof for the year then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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Newark, Ohio 43055  
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District Board of Health  
Licking County  
Independent Auditors' Report

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Federal Awards Expenditures is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Wilson, Shuman & Snow, Inc.*

May 12, 2009



**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JANUARY 1, 2008 – DECEMBER 31, 2008  
(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, 2008, 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.

**Financial Highlights**

Key financial highlights for the year 2008 are as follows:

- Total Receipts increased by \$1,791,369.
- Net assets increased by \$397,724.
- The District completed the merger with the City of Newark Health Department which became effective February 1, 2008. This merger increased receipts and disbursements relative to prior years as the District is now responsible for providing increased services to Licking County. A continued slow housing market led to low receipts for Plumbing, Sewage, and Well permits.

**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 a longer-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 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.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JANUARY 1, 2008 – DECEMBER 31, 2008  
(UNAUDITED)**

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**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.

***Reporting the District as a Whole***

The statement of net assets and the statement of activities reflect how the District performed financially during 2008, 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 District's property tax base, 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.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JANUARY 1, 2008 – DECEMBER 31, 2008  
(UNAUDITED)**

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**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 and the Women, Infants and Children's Funds. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the Health District's net assets for 2008 and 2007 as follows:

**Table 1  
Net Assets – Cash Basis**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash with Fiscal Agent	\$ 588,670	\$ 190,946
<i>Total Assets</i>	\$ <u>588,670</u>	\$ <u>190,946</u>
<b>Net Assets</b>		
<b>Restricted for:</b>		
Women, Infants, & Children	\$ 112,727	\$ 73,762
Construction and Demolition Debris	39,932	7,117
Solid Waste	36,446	0
Sewage Treatment	52,528	10,502
<b>Unrestricted</b>	<u>347,037</u>	<u>99,565</u>
<i>Total Net Assets</i>	\$ <u>588,670</u>	\$ <u>190,946</u>

As mentioned previously, net assets increased \$397,724 and are primarily associated with the merger between the District and the City of Newark Health Department during 2008.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JANUARY 1, 2008 – DECEMBER 31, 2008  
(UNAUDITED)**

Table 2 reflects the changes in net assets in 2008 and 2007:

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities 2008</b>	<b>Governmental Activities 2007</b>
	<u>2008</u>	<u>2007</u>
<b>Receipts:</b>		
Program Cash Receipts		
Charges for Services	\$1,483,453	\$1,089,943
Operating Grants and Contributions	<u>1,615,576</u>	<u>1,070,007</u>
Total Program Cash Receipts	<u>3,099,029</u>	<u>2,159,950</u>
General Receipts		
Grants and Entitlements not Restricted to Specific Programs	1,230,695	455,893
Miscellaneous	<u>82,254</u>	<u>4,766</u>
Total General Receipts	<u>1,312,949</u>	<u>460,659</u>
<b>Total Receipts</b>	<u>4,411,978</u>	<u>2,620,609</u>
<b>Disbursements:</b>		
Environmental Health	947,532	1,149,786
Solid Waste	56,775	54,110
Nursing	1,340,693	403,257
Women, Infants, and Children	467,813	434,259
Health Education	305,754	428,203
Administration	<u>895,687</u>	<u>249,673</u>
<b>Total Disbursements</b>	<u>4,014,254</u>	<u>2,719,288</u>
<b>Net Change in Fund Balances</b>	397,724	(98,679)
<b>Net Assets Beginning of Year</b>	<u>190,946</u>	<u>289,625</u>
<b>Net Assets End of Year</b>	<u>\$ 588,670</u>	<u>\$ 190,946</u>

In 2008, 64% of the District's total receipts were from state, federal, non-profit, and private donations and awards, 34% were from charges for services, permits, and other fees, and only 2% were from miscellaneous sources.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JANUARY 1, 2008 – DECEMBER 31, 2008  
(UNAUDITED)**

**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 (33%) and Administration (22%). 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.

**Table 3  
Governmental Activities**

	<b><u>Total Cost of Services 2008</u></b>	<b><u>Net Cost of Services 2008</u></b>	<b><u>Total Cost of Services 2007</u></b>	<b><u>Net Cost of Services 2007</u></b>
Administration	\$ 895,687	\$ 727,622	\$ 249,673	\$ 212,637
Environmental Health	947,532	6,393	1,149,786	254,401
Solid Waste	56,775	(44,494)	54,110	4,760
Nursing	1,340,693	474,085	403,257	243,946
Health Education	305,754	(209,498)	428,203	(92,965)
Women, Infants, & Children	<u>467,813</u>	<u>(38,883)</u>	<u>434,259</u>	<u>(63,441)</u>
<b>Total</b>	<b><u>\$4,014,254</u></b>	<b><u>\$ 915,225</u></b>	<b><u>\$2,719,288</u></b>	<b><u>\$ 559,338</u></b>

The District has tried to 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 \$4,411,978 and disbursements of \$4,014,254. The governmental funds had an increase in the cash balance of \$397,724.

The fund balance of the General Fund increased by \$247,472 to \$347,037 at year-end. The Women, Infants, and Children's Fund increased by \$38,965 to \$112,727.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JANUARY 1, 2008 – DECEMBER 31, 2008  
(UNAUDITED)**

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***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.

Estimated receipts increased \$1,903,440 from the original budget to \$4,051,089 although actual receipts were \$434,605 less than estimated. Final appropriations were \$3,599,589 which was \$1,414,150 higher than original appropriations. Final expenditures of \$3,403,127 were \$196,462 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.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

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

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash with Fiscal Agent	\$ 588,670
<i>Total Assets</i>	<u>\$ 588,670</u>
<b>Net Assets</b>	
Restricted for:	
Women, Infants, & Children	\$ 112,727
Solid Waste	36,446
Construction and Demolition Debris	39,932
Sewage Treatment	52,528
Unrestricted	<u>347,037</u>
<i>Total Net Assets</i>	<u>\$ 588,670</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, 2008*

	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Primary Government Governmental Activities	
<b>Governmental Activities</b>				
Administration	\$ 895,687	\$ 168,065	\$ -	\$ (727,622)
Environmental Health	947,532	941,139	-	(6,393)
Solid Waste	56,775	-	101,269	44,494
Nursing	1,340,693	350,989	515,619	(474,085)
Health Education	305,754	23,260	491,992	209,498
Women, Infants, & Children	467,813	-	506,696	38,883
<i>Total Governmental Activities</i>	\$ 4,014,254	\$ 1,483,453	\$ 1,615,576	(915,225)
<b>General Receipts</b>				
				1,230,695
				82,254
				<i>Total General Receipts</i> 1,312,949
				397,724
				<i>Net Assets Beginning of Year</i> 190,946
				<i>Net Assets End of Year</i> \$ 588,670

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, 2008*

	<u>General</u>	<u>Women, Infants, and Children</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash with Fiscal Agent	\$ 347,037	\$ 112,727	\$ 128,906	\$ 588,670
<i>Total Assets</i>	<u>\$ 347,037</u>	<u>\$ 112,727</u>	<u>\$ 128,906</u>	<u>\$ 588,670</u>
<b>Fund Balances</b>				
Reserved:				
Reserved for Encumbrances	\$ 34,115	\$ 1,118	\$ 36,446	\$ 71,679
Unreserved:				
Designated for budget stabilization	62,592	19,124	-	81,716
Undesignated (Deficit), Reported in:				
General Fund	250,330	-	-	250,330
Special Revenue Funds	-	92,485	92,460	184,945
<i>Total Fund Balances</i>	<u>\$ 347,037</u>	<u>\$ 112,727</u>	<u>\$ 128,906</u>	<u>\$ 588,670</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

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

	General	Women, Infants, and Children	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Intergovernmental	\$ 2,238,306	\$ 506,696	\$ 101,269	\$ 2,846,271
Fines, Licenses and Permits	666,151	-	207,447	873,598
Charges for Services	609,855	-	-	609,855
Miscellaneous	82,172	82	-	82,254
<i>Total Receipts</i>	<u>3,596,484</u>	<u>506,778</u>	<u>308,716</u>	<u>4,411,978</u>
<b>Disbursements</b>				
Environmental Health	750,103	-	197,429	947,532
Solid Waste	56,775	-	-	56,775
Nursing	1,340,693	-	-	1,340,693
WIC	-	467,813	-	467,813
Health Education	305,754	-	-	305,754
Administration	895,687	-	-	895,687
<i>Total Disbursements</i>	<u>3,349,012</u>	<u>467,813</u>	<u>197,429</u>	<u>4,014,254</u>
<i>Net Change in Fund Balances</i>	247,472	38,965	111,287	397,724
<i>Fund Balances Beginning of Year</i>	<u>99,565</u>	<u>73,762</u>	<u>17,619</u>	<u>190,946</u>
<i>Fund Balances End of Year</i>	<u>\$ 347,037</u>	<u>\$ 112,727</u>	<u>\$ 128,906</u>	<u>\$ 588,670</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance -  
Budget and Actual -Budget Basis*

**General Fund**

*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 1,324,163	\$ 2,508,787	\$ 2,238,306	\$ (270,481)
Fines, Licenses and Permits	394,089	746,650	666,151	(80,499)
Charges for Services	360,785	683,551	609,855	(73,696)
Miscellaneous	48,612	92,102	82,172	(9,930)
<i>Total Receipts</i>	<u>2,127,649</u>	<u>4,031,089</u>	<u>3,596,484</u>	<u>(434,605)</u>
<b>Disbursements</b>				
Current:				
Salaries	1,135,000	1,733,610	1,710,594	23,016
OPERS	234,150	442,358	375,954	66,404
Health Insurance	325,000	538,139	492,267	45,872
Medicare	16,168	30,209	27,409	2,800
Worker's Comp	18,500	28,900	20,274	8,626
Office-Supplies	50,627	95,372	95,268	104
Contract Services	155,484	232,812	232,812	-
Travel	27,452	27,622	27,622	-
Other Expenses	10,000	20,000	20,000	-
Board Expenses	6,800	8,720	8,400	320
Equipment	45,258	88,758	84,092	4,666
Medical Supplies	7,057	92,057	87,057	5,000
Professional Ed/Dues	12,000	21,550	16,001	5,549
State Remittance	61,367	146,367	126,367	20,000
H2O Samples	6,994	7,018	5,393	1,625
TB-Other	5,582	8,582	7,540	1,042
Reimbursement	4,000	4,350	3,462	888
Mosquito Control Supplies	4,000	7,000	1,450	5,550
Grant Supplies	35,000	41,165	41,165	-
<i>Total Disbursements</i>	<u>2,160,439</u>	<u>3,574,589</u>	<u>3,383,127</u>	<u>191,462</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(32,790)</u>	<u>456,500</u>	<u>213,357</u>	<u>(243,143)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	20,000	20,000	20,000	-
Transfers Out	(25,000)	(25,000)	(20,000)	5,000
<i>Total Other Financing Sources (Uses)</i>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
<i>Net Change in Fund Balances</i>	<u>(37,790)</u>	<u>451,500</u>	<u>213,357</u>	<u>(238,143)</u>
Prior Year Encumbrances Appropriated	23,910	23,910	23,910	-
<i>Fund Balances Beginning of Year</i>	<u>75,655</u>	<u>75,655</u>	<u>75,655</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 61,775</u>	<u>\$ 551,065</u>	<u>\$ 312,922</u>	<u>\$ (238,143)</u>

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance -  
Budget and Actual -Budget Basis*

**WIC Fund**

*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 520,000	\$ 520,000	\$ 506,696	\$ (13,304)
Miscellaneous	-	-	82	82
<i>Total Receipts</i>	520,000	520,000	506,778	(13,222)
<b>Disbursements</b>				
Current:				
Salaries	280,657	286,457	286,387	70
OPERS	58,938	58,438	58,051	387
Medicare	4,069	3,816	3,816	-
Unemployment	1,607	1,607	1,607	-
Worker's Comp	5,000	5,223	5,223	-
Supplies	10,484	10,261	10,212	49
Contract Services	3,318	3,318	3,240	78
Travel	5,534	5,034	5,034	-
Equipment	1,000	400	-	400
Professional Ed & Dues	500	500	304	196
Reimbursement	88,874	95,074	95,057	17
<i>Total Disbursements</i>	459,981	470,128	468,931	1,197
<i>Excess of Receipts Over (Under) Disbursements</i>	60,019	49,872	37,847	(12,025)
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	7,024	7,024	-
Transfers Out	-	(7,024)	(7,024)	-
Advances Out	(25,000)	(15,000)	-	15,000
<i>Total Other Financing Sources (Uses)</i>	(25,000)	(15,000)	-	15,000
<i>Net Change in Fund Balances</i>	35,019	34,872	37,847	2,975
Prior Year Encumbrances Appropriated	2,010	2,010	2,010	-
<i>Fund Balances Beginning of Year</i>	71,752	71,752	71,752	-
<i>Fund Balances End of Year</i>	\$ 108,781	\$ 108,634	\$ 111,609	\$ 2,975

See accompanying notes to the basic financial statements

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008**

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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**

A reporting entity is comprised of the primary government, component units and other organizations included in ensuring that the basic financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

**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; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. The District 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 9 and 5 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). GAAP includes 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 – Cash Basis and a Statement of Activities – Cash Basis, 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  
JANUARY 1, 2008 – DECEMBER 31, 2008**

(Continued)

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

Government-Wide Financial Statements

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis 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 – Cash Basis presents the cash balance, cash receipts and cash disbursements of the governmental activities of the District at year end. The Statement of Activities – Cash Basis compares disbursements and program receipts for each program or function of the District’s governmental activities. Cash 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.

Cash receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct cash 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:

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008**

(Continued)

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

*General Fund* - 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.

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

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, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the 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 for existing or increased assessments 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 District may appropriate. The appropriations resolution is the District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established by the District at the fund, department, and object level for all funds.

ORC Section 3709.28 establishes budgetary requirement 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 District 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.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008**

(Continued)

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

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 District.

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 the District during the year.

**E. Cash and Investments**

As required by Ohio Revised Code, the Licking County Treasurer is custodian for the District's cash. The County's cash and investment pool holds the District's assets, valued at the Licking County Treasurer's reported 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, whether externally imposed by creditors, contributors, grantors, or laws of other governments, are imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted assets at December 31, 2008.

**G. Inventory and Prepaid Items**

The District reports cash 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 cash 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, 2008.



**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008**

(Continued)

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

**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 cash disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Long-Term Obligations**

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

**M. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. 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 \$241,633 of restricted net 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 accordance with Ohio Revised Code Section 5705.13. The amounts designated in the General and Women, Infants, and Children's Funds at December 31, 2008 were \$62,592 and \$19,124, 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.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008**

(Continued)

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

**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 cash receipts in the seller funds and as cash 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.

**P. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during 2008.

**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, cash disbursements, and encumbrances. The Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) for the General and Women, Infant, and Children’s Funds at December 31, 2008 amounted to \$34,115 and \$1,118, respectively.

**Note 4 – Deposits and Investments**

The Licking County Treasurer serves as the fiscal agent for the District and is responsible for investing funds in active, inactive and interim deposits.

The Ohio Revised Code restricts deposits and investments to the following:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008**

(Continued)

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**Note 4 – Deposits and Investments** (Continued)

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

In addition, authorized investments may include investments in commercial paper and bankers acceptances with appropriate limitations if ORC training requirements have been met.

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Licking County Treasurer serves as the fiscal agent for the District and the investments of Licking County funds, including the District's cash. The District maintains no control over the investment of its cash. At December 31, 2008, the carrying amount of the District's deposits was \$588,670.

The District relies on the Licking County Treasurer to monitor interest rate, credit and concentration of credit risk associated with the District's deposits.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008**

(Continued)

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**Note 5 - Risk Management**

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

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

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$3,000,000.

Property Coverage

APEEP established a risk-sharing property program. Under the program, Travelers Indemnity Company reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop-loss is reached by payment of losses between \$100,000 and \$300,000, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2008 was \$2,014,548.

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

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

Financial Position

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

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

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008  
(Continued)**

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

At December 31, 2007 and 2006, respectively, the liabilities above include \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$21,935. This payable includes the subsequent year's contribution due if the District terminates participation, as described in the last paragraph below.

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

<b><u>Contributions to PEP</u></b>	
2006	\$13,146
2007	\$13,501
2008	\$20,164

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

**Note 6 – Defined Benefit Pension Plans**

***Plan Description*** – All employees of the District are eligible to participate in the Ohio Public Employees Retirement System (OPERS). 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 plan that has elements of both a defined benefit and defined contribution plan. The member directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008**

(Continued)

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

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The authority to establish and amend benefits is provided in Chapter 145 of the Ohio revised Code. OPERS issues a publicly available comprehensive annual financial report which includes financial statements and required supplementary information for OPERS. That report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-PERS (7377).

***Funding Policy*** – The District and covered employees contribute at actuarially determined rates for 2008, 14% and 10%, respectively, of covered employee payroll to OPERS. The District's contributions to OPERS for the years ended December 31, 2008, 2007, and 2006 were \$261,866, \$222,625, and \$202,499, respectively. Required contributions are equal to 100% of the dollar amount billed. The Board of the District has elected to pay a portion of the employees' OPERS employee requirement which totaled \$114,087 for 2008.

**Note 7 – Postemployment Benefits**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers".

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2008 employer contribution rate was 14 percent of covered payroll; 5.0 percent from January 1 through June 20, 2007 and 6.0 percent from July 1 through December 31, 2007 was the portions used to fund health care. (The information for 2007 is the most recent available).

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between 0.5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase .05 to 5.0 percent for the next eight years and 4.0 percent annually after eight years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 374,979. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$362,130. The actual contribution and the actuarial required contribution amounts are the same. OPERS' net assets available for the payment of benefits at December 31, 2007 (the latest information available), was \$12.0 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JANUARY 1, 2008 – DECEMBER 31, 2008  
(Continued)**

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**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 effect on the overall financial position of the District at December 31, 2008.

**B. Litigation**

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

**Note 9 – 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 of prevention of injury or disease and promote general health programs. This related organization is directed by a nine-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 2008.

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>Federal Grantor / Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	45101FCL06/07	10.557	\$ 467,813
Total U.S. Department of Agriculture			<u>467,813</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed Through Ohio Department of Highway Safety:</i>			
State and Community Highway Safety	45000039600	20.600	27,608
Total U.S. Department of Transportation			<u>27,608</u>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>			
<i>Passed Through Ohio Environmental Protection Agency:</i>			
State Indoor Radon Grant	4510012IR0108	66.032	41,584
Total U.S. Environmental Protection Agency			<u>41,584</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed Through Ohio Department of Health:</i>			
Centers for Disease Control and Prevention Investigations and Technical Assistance	4510011PI0108	93.283	178,317
Preventive Health and Service Block Grant	N/A - Not Provided	93.991	9,000
Immunization Grants	4510011IM0108	93.268	65,824
Human Immunodeficiency Virus	4510011DS0108	93.994	75,728
Total Passed Through Ohio Department of Health:			<u>328,869</u>
<i>Passed Through Licking County Department of Jobs and Family Services:</i>			
Temporary Assistance for Needy Families (TANF)	N/A - Not Provided	93.558	59,137
Total Passed Through Licking County Department Jobs and Family Services			<u>59,137</u>
Medical Reserve Corps Small Grant Program	N/A - Direct Funding	93.008	5,000
Total U.S. Department of Health and Human Services			<u>393,006</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 930,011</u></b>

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



**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.



**Report on Internal Control over Financial Reporting and on Compliance and Other Matters**  
**Based on an Audit of Financial Statements Performed in Accordance with**  
**Government Auditing Standards**

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

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, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 12, 2009 wherein we noted the District prepared its financial statements on the cash basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in by the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control over Financial Reporting**

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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Newark, Ohio 43055  
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**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*.

We intend this report solely for the information and use of the Board of Directors, management, Auditor of State, and federal awarding and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
May 12, 2009



**Report on Compliance with Requirements Applicable to Its Major Program and on  
Internal Control over Compliance in Accordance with OMB Circular A-133**

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

**Compliance**

We have audited the compliance of the District Board of Health, Licking County (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 apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its 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 contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 types of 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, Licking County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

**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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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District Board of Health  
Report on Compliance with Requirements Applicable to  
Its Major Program and an Internal Control over  
Compliance in Accordance with *OMB Circular A-133*  
Page 2

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be 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 Board of Directors, management, Auditor of State, and federal awarding and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
May 12, 2009

**DISTRICT BOARD OF HEALTH  
LICKING COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505**

**DECEMBER 31, 2008**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable significant deficiencies 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 weakness conditions reported for major federal program?	No
<i>(d)(1)(iv)</i>	Were there any other reportable significant deficiencies reported for major federal program?	No
<i>(d)(1)(v)</i>	Type of Major Program's Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under §.510?	No
<i>(d)(1)(vii)</i>	Major Program (list):	Special Supplemental Nutrition Program for Women, Infants, and Children – CFDA 10.557
<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



Mary Taylor, CPA  
Auditor of State

**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  
JUNE 4, 2009**