



**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2009



Mary Taylor, CPA
Auditor of State

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis.....	9
Statement of Activities – Cash Basis	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances.....	12
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis –	
General Fund	16
Environmental Fund.....	17
Women, Infants, and Children Fund	18
Breast and Cervical Cancer Project Fund	19
Public Health Infrastructure Fund	20
Notes to the Basic Financial Statements	21
Schedule of Federal Awards Expenditures.....	31
Notes to the Schedule of Federal Awards Expenditures	32
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	33
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	35
Schedule of Findings.....	37

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, Ohio (the Health Department), as of and for the year ended December 31, 2009, which collectively comprise the Health Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Health Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General; Environmental; Women, Infants, and Children; Breast and Cervical Cancer Project, and Public Health Infrastructure funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2010, on our consideration of the Health Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the Health Department'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 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.



Mary Taylor, CPA
Auditor of State

April 12, 2010

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

The discussion and analysis of the Fulton County Health Department's (the Health Department) financial performance provides an overall review of the Health Department's financial activities for the year ended December 31, 2009, within the limitations of the Health Department's cash basis of accounting. The intent of this discussion and analysis is to look at the Health Department'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 Health Department's financial performance.

Financial Highlights

Key financial highlights for the year 2009 are as follows:

- Net assets increased by \$25,039. Several of the grants had decreases in 2009 but Public Health Infrastructure grant whose name was changed to Public Health Emergency Preparedness (PHEP) had an increase due to Center for Disease Control granting monies for Public Health Emergency Response (PHER) due to the H1N1 flu pandemic. We also received contracts for Mass Fatality Management (MFM) and Regional Emergency Medical Services (REMS). Family Planning Title X also had an increase in their grant monies due to Fulton County Health Department taking over Williams County clinic when Women and Family Services closed their doors in Defiance during 2009.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the Health Department's receipts, making up almost 67% of all the dollars coming into the Department. General receipts in the form of property taxes and unrestricted grants make up the other 33%.
- The Health Department had \$2,391,867 in disbursements during 2009. Family Planning Title X expenses were increased due to the Health Department taking on a Women's Clinic at the Williams County Health Department due to the Women and Family Services closing in Defiance OH. Also, the expenses for the PHER grant were new to 2009.

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 Health Department'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 Health Department 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 the 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 Health Department, presenting both an aggregate view of the Health Department'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 Health Department 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.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Health Department has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Health Department's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Health Department as a Whole

The statement of net assets and the statement of activities reflect how the Health Department did financially during 2009, 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 Health Department at year end. The Statement of Activities – Cash Basis compares 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 Health Department's general receipts.

These statements report the Health Department'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 Health Department's financial health. Over time, increases or decreases in the Health Department's cash position is one indicator of whether the Health Department's financial health is improving or deteriorating. When evaluating the Health Department's financial condition, you should also consider other non-financial factors as well, such as the Health Department's property tax base, the condition of the Health Department's capital assets, the reliance on non-local financial resources for operations, and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the Health Department's services. The Health Department has no business-type activities.

Reporting the Health Department's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Health Department's major funds – not the Health Department as a whole. The Health Department 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 Health Department are governmental.

Governmental Funds - The Health Department's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Health Department'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 Health

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Department's health programs. The Health Department's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor 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 Health Department's major governmental funds are the General Fund; Environmental Fund; Women Infants and Children (WIC) Fund; Breast and Cervical Cancer Project Fund and the Public Health Infrastructure (PHI) Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Health Department as a Whole

Table 1 provides a summary of the Health Department's net assets for 2009 compared to 2008 on the cash basis:

**Table 1
Net Assets – Cash Basis**

	<u>Governmental Activities</u>		
	<u>2009</u>	<u>2008</u>	<u>Change</u>
Assets			
Cash with Fiscal Agent	\$ 1,050,472	\$ 1,025,433	\$ 25,039
Total Assets	<u>1,050,472</u>	<u>1,025,433</u>	<u>25,039</u>
Net Assets			
Restricted	110,458	120,734	(10,276)
Unrestricted	<u>940,014</u>	<u>904,699</u>	<u>35,315</u>
Total Net Assets	<u>\$ 1,050,472</u>	<u>\$ 1,025,433</u>	<u>\$ 25,039</u>

As mentioned previously, net assets increased \$25,039. The decrease in restricted net assets is due to PHEP not sending us the grant money in the amount of \$150,000 for the PHER Focus 3 monies in 2009. In 2009 the general fund received more than \$35,000 in nursing receipts than in 2008. Medicaid payments and flu payments were up in 2009.

Table 2 reflects the change in net assets in 2009. This is a comparative analysis of government-wide data being presented.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Table 2		
Changes in Net Assets		
	Governmental Activities	
	2009	2008
Receipts		
Program Cash Receipts		
Charges for Services	\$ 588,182	\$ 549,599
Operating Grants and Contributions	1,020,477	867,912
Total Program Cash Receipts	1,608,659	1,417,511
General Receipts		
Property Taxes Levied for		
General Health Department Purposes	568,948	616,783
Grants and Entitlements not Restricted		
to Specific Programs	218,268	191,204
Gifts & Contributions	10,888	17,562
Miscellaneous	10,143	12,691
Total General Receipts	808,247	838,240
Total Receipts	2,416,906	2,255,751
Disbursements		
General Health		
General Health	654,058	725,209
Vital Statistics	22,461	26,239
Administration	162,797	179,810
Environmental Health	313,043	339,340
Women, Infant, and Children	255,743	259,279
Breast and Cervical Cancer Project	316,208	306,974
Immunizations	39,676	41,912
Child and Family Health Services	38,720	50,573
Family Planning	133,081	85,072
Cardiovascular Health	68,955	65,112
Women's Health Services	68,176	69,225
Public Health Infrastructure	318,949	160,762
Total Disbursements	2,391,867	2,309,507
Change in Net Assets	25,039	(53,756)
Net Assets Beginning of Year	1,025,433	1,079,189
Net Assets End of Year	\$ 1,050,472	\$ 1,025,433

In 2009, 33% of the Health Department's total receipts were from general receipts, consisting mainly of property taxes levied for general health department purposes. Program receipts accounted for 67% of the Health Department's total receipts in year 2009. These receipts consist primarily of charges for services for birth and death certificates; food service licenses; trailer park, swimming pools and spas, and water system permits; and, state and federal operating grants and donations.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

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 Health Department. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Health; Environmental Health; WIC; Breast and Cervical Cancer Project and Public Health Infrastructure (PHI) which account for 35%, 13%, 11%, 13%, 13% and 13% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Health Department that must be used to provide a specific service. The net cost column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>	<u>Total Cost of Services 2008</u>	<u>Net Cost of Services 2008</u>
General Health				
General Health	\$ 654,058	\$ 433,232	\$ 725,209	\$ 520,234
Vital Statistics	22,461	(27,327)	26,239	(24,438)
Administration	162,797	162,797	179,810	179,810
Environmental Health	313,043	189,092	339,340	216,012
Women, Infant, and Children	255,743	(10,946)	259,279	(1,162)
Breast and Cervical Cancer Project	316,208	(3,182)	306,974	(110)
Immunizations	39,676	(754)	41,912	12
Child and Family Health Services	38,720	1,187	50,573	5,671
Family Planning	133,081	18,308	85,072	7,173
Cardiovascular Health	68,955	1,955	65,112	(1,888)
Women's Health Services	68,176	6,358	69,225	10,669
Public Health Infrastructure	318,949	12,488	160,762	(19,987)
Totals	<u>\$ 2,391,867</u>	<u>\$ 783,208</u>	<u>\$ 2,309,507</u>	<u>\$ 891,996</u>

The Health Department has tried to limit its dependence upon property taxes and local subsidies by actively pursuing federal grants and charging rates for services that are closely related to costs. Only 33% of the Health Department costs are supported through property taxes, unrestricted grants, and other general receipts.

The Health Department's Funds

As noted earlier, the Health Department uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Health Department's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Health Department's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Health Department's net resources available for spending at the end of the year.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

At the end of 2009, the Health Department's governmental funds reported total ending fund balances of \$1,050,472. \$1,046,035 of the total is unreserved fund balance, which is available for spending. The remainder of fund balance is reserved to indicate it is not available for new spending.

While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets – Cash Basis due to their being restricted for use for a particular purpose mandated by the source of the resources such as the state and federal governments.

The General Fund is the chief operating fund of the Health Department. At the end of 2009, unreserved fund balance was \$931,580. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total General Fund expenditures. Unreserved fund balance represents 111% of the total General Fund expenditures.

The Environmental Fund accounts for the issuance of water, sewer, and food licenses and permits. License and permit fees accounted for 41% of Environmental Fund revenue. The rest of the receipt revenue is from transfers from the General Fund.

The Breast and Cervical Cancer Project fund balance increased minimally by \$4,725.

The WIC Fund accounts for federal grant monies for the WIC program. WIC is a program for pregnant women, women who recently had a baby, breastfeeding moms and infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. At the end of 2009, the total fund balance was \$14,476.

The PHI Fund accounts for federal grants related to the Public Health Emergency Preparedness (PHEP) Grant along with the Public Health Emergency Response (PHER) grants. These grants help to maintain and expand public health capability to achieve core leadership during public health emergencies. Due to the H1N1 pandemic, many hours were spent vaccinating people of Fulton County thus the increase in revenue and expenditures in this fund.

General Fund Budgeting Highlights

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

During the course of 2009, the Health Department amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. The General Fund's revenues were less than anticipated due to the conclusion of tax abatements and the unexpected termination of the Fulton County Job and Family Service TANF contract. The General Fund's expenditures were less than budgeted due to an unanticipated 57% decrease in medical insurance premiums.

Contacting the Health Department's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health Department's finances and to reflect the Health Department'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 Jane Sauder, Fiscal Officer Supervisor, 606 S. Shoop Ave, Wauseon, OH 43567.

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Net Assets - Cash Basis
December 31, 2009

	<u>Primary Government Governmental Activities</u>
Assets	
Cash with Fiscal Agent	<u>\$ 1,050,472</u>
Net Assets	
Restricted for:	
Other Purposes	110,458
Unrestricted	940,014
<i>Total Net Assets</i>	<u><u>\$ 1,050,472</u></u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Primary Government Governmental Activities
Governmental Activities				
General Health				
General Health	\$ 654,058	\$ 219,326	\$ 1,500	\$ (433,232)
Vital Statistics	22,461	49,788		27,327
Administration	162,797			(162,797)
Community Health Services				
Environmental Health	313,043	123,951		(189,092)
Women, Infants, and Children (WIC)	255,743		266,689	10,946
Breast and Cervical Cancer Project (BCCP)	316,208		319,390	3,182
Immunizations (IAP)	39,676		40,430	754
Child and Family Health Services (CFHS)	38,720	10	37,523	(1,187)
Family Planning (FP)	133,081	43,638	71,135	(18,308)
Cardiovascular Health (CVH)	68,955	67,000		(1,955)
Women's Health Services (WHS)	68,176	19,594	42,224	(6,358)
Public Health Infrastructure (PHI)	318,949	64,875	241,586	(12,488)
<i>Total Governmental Activities</i>	<u>2,391,867</u>	<u>588,182</u>	<u>1,020,477</u>	<u>(783,208)</u>
General Receipts				
Property Taxes Levied for				
General Health District Purposes				568,948
Grants and Entitlements not Restricted to Specific Programs				218,268
Gifts and Contributions				10,888
Miscellaneous				10,143
<i>Total General Receipts</i>				808,247
Change in Net Assets				25,039
<i>Net Assets Beginning of Year</i>				1,025,433
<i>Net Assets End of Year</i>				<u>\$ 1,050,472</u>

See accompanying notes to the basic financial statements

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FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	<u>General</u>	<u>Environmental Fund</u>	<u>Women, Infants, and Children</u>
Assets			
Cash with Fiscal Agents	\$ 934,780	\$ 5,234	\$ 14,476
Fund Balances			
Reserved:			
Reserved for Encumbrances	3,200	133	
Unreserved:			
Undesignated, Reported in:			
General Fund	931,580		
Special Revenue Funds		5,101	14,476
Total Fund Balances	<u>\$ 934,780</u>	<u>\$ 5,234</u>	<u>\$ 14,476</u>

See accompanying notes to the basic financial statements

Breast and Cervical Cancer Project	Public Health Infrastructure	Other Governmental Funds	Total Governmental Funds
<u>\$ 53,934</u>	<u>\$ 15,743</u>	<u>\$ 26,305</u>	<u>\$ 1,050,472</u>
	627	477	4,437
53,934	15,116	25,828	931,580
<u>\$ 53,934</u>	<u>\$ 15,743</u>	<u>\$ 26,305</u>	<u>\$ 1,050,472</u>

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Environmental Fund	Women, Infants, and Children
Receipts			
Property and Other Local Taxes	\$ 568,948		
Intergovernmental	219,768		\$ 266,689
Fines, Licenses and Permits		\$ 107,344	
Charges for Services	225,076	15,517	
Gifts and Contributions	3,311		
Contractual Services	44,038	1,090	
Private Grant			
Miscellaneous	4,658	1,525	132
<i>Total Receipts</i>	<u>1,065,799</u>	<u>125,476</u>	<u>266,821</u>
Disbursements			
General Health			
General Health	654,058		
Vital Statistics	22,461		
Administration	162,797		
Environmental Health		313,043	
Women, Infants, and Children (WIC)			255,743
Breast and Cervical Cancer Project (BCCP)			
Immunizations (IAP)			
Child and Family Health Services (CFHS)			
Women's Health Services (WHS)			
Public Health Infrastructure (PHI)			
Family Planning (FP)			
Cardiovascular Health (CVH)			
<i>Total Disbursements</i>	<u>839,316</u>	<u>313,043</u>	<u>255,743</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>226,483</u>	<u>(187,567)</u>	<u>11,078</u>
Other Financing Sources (Uses)			
Transfers In		180,000	
Transfers Out	(183,600)		
<i>Total Other Financing Sources (Uses)</i>	<u>(183,600)</u>	<u>180,000</u>	
<i>Net Change in Fund Balances</i>	42,883	(7,567)	11,078
<i>Fund Balances Beginning of Year</i>	<u>891,897</u>	<u>12,801</u>	<u>3,398</u>
<i>Fund Balances End of Year</i>	<u>\$ 934,780</u>	<u>\$ 5,234</u>	<u>\$ 14,476</u>

See accompanying notes to the basic financial statements

Breast and Cervical Cancer Project	Public Health Infrastructure	Other Governmental Funds	Total Governmental Funds
			\$ 568,948
\$ 219,390	\$ 191,586	\$ 191,312	1,088,745
			107,344
		63,242	303,835
		7,577	10,888
	64,875	67,000	177,003
100,000	50,000		150,000
1,543	35	2,250	10,143
<u>320,933</u>	<u>306,496</u>	<u>331,381</u>	<u>2,416,906</u>
			654,058
			22,461
			162,797
			313,043
			255,743
316,208			316,208
		39,676	39,676
		38,720	38,720
		68,176	68,176
	318,949		318,949
		133,081	133,081
		68,955	68,955
<u>316,208</u>	<u>318,949</u>	<u>348,608</u>	<u>2,391,867</u>
<u>4,725</u>	<u>(12,453)</u>	<u>(17,227)</u>	<u>25,039</u>
			183,600
		3,600	(183,600)
		3,600	
4,725	(12,453)	(13,627)	25,039
49,209	28,196	39,932	1,025,433
<u>\$ 53,934</u>	<u>\$ 15,743</u>	<u>\$ 26,305</u>	<u>\$ 1,050,472</u>

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 755,000	\$ 755,000	\$ 568,948	\$ (186,052)
Intergovernmental	59,000	59,000	219,768	160,768
Charges for Services	256,000	256,000	225,076	(30,924)
Charges for Services	4,500	4,500		(4,500)
Gifts and Contributions	16,500	16,500	3,311	(13,189)
Contractual Services	86,000	86,000	44,038	(41,962)
Miscellaneous	124,322	124,364	4,658	(119,706)
<i>Total Receipts</i>	<u>1,301,322</u>	<u>1,301,364</u>	<u>1,065,799</u>	<u>(235,565)</u>
Disbursements				
General Health				
General Health	829,425	829,467	657,258	172,209
Vital Statistics	33,250	33,250	22,461	10,789
Administration	238,647	238,647	162,797	75,850
<i>Total Disbursements</i>	<u>1,101,322</u>	<u>1,101,364</u>	<u>842,516</u>	<u>258,848</u>
<i>Excess of Receipts Over Disbursements</i>	<u>200,000</u>	<u>200,000</u>	<u>223,283</u>	<u>23,283</u>
Other Financing Uses				
Transfers Out	(200,000)	(200,000)	(183,600)	16,400
<i>Net Change in Fund Balances</i>			39,683	39,683
Prior Year Encumbrances Appropriated	44	44	44	
<i>Fund Balances Beginning of Year</i>	<u>891,853</u>	<u>891,853</u>	<u>891,853</u>	
<i>Fund Balances End of Year</i>	<u>\$ 891,897</u>	<u>\$ 891,897</u>	<u>\$ 931,580</u>	<u>\$ 39,683</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Environmental Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts				
Fines, Licenses and Permits	\$ 197,750	\$ 197,750	107,344	(90,406)
Charges for Services	34,000	34,000	15,517	(18,483)
Contractual Services			1,090	1,090
Miscellaneous	<u>32,933</u>	<u>33,004</u>	<u>1,525</u>	<u>(31,479)</u>
<i>Total Receipts</i>	<u>264,683</u>	<u>264,754</u>	<u>125,476</u>	<u>(139,278)</u>
Disbursements				
Community Health Services				
Environmental Health	<u>404,683</u>	<u>404,754</u>	<u>313,176</u>	<u>91,578</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(140,000)</u>	<u>(140,000)</u>	<u>(187,700)</u>	<u>(47,700)</u>
Other Financing Sources				
Transfers In	<u>140,000</u>	<u>140,000</u>	<u>180,000</u>	<u>40,000</u>
<i>Net Change in Fund Balances</i>			(7,700)	(7,700)
Prior Year Encumbrances Appropriated	125	125	125	
<i>Fund Balances Beginning of Year</i>	<u>12,676</u>	<u>12,676</u>	<u>12,676</u>	
<i>Fund Balances End of Year</i>	<u>\$ 12,801</u>	<u>\$ 12,801</u>	<u>\$ 5,101</u>	<u>\$ (7,700)</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Women, Infants, and Children Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 267,352	\$ 267,352	\$ 266,689	\$ (663)
Miscellaneous	1,000	1,000	132	(868)
<i>Total Receipts</i>	<u>268,352</u>	<u>268,352</u>	<u>266,821</u>	<u>(1,531)</u>
Disbursements				
Community Health Services Women, Infant, and Children	268,352	268,340	255,743	12,597
<i>Excess of Receipts Over Disbursements</i>		<u>12</u>	<u>11,078</u>	<u>11,066</u>
Other Financing Sources (Uses)				
Transfers Out		<u>(12)</u>		<u>12</u>
<i>Net Change in Fund Balances</i>			11,078	11,078
<i>Fund Balances Beginning of Year</i>	<u>3,398</u>	<u>3,398</u>	<u>3,398</u>	
<i>Fund Balances End of Year</i>	<u>\$ 3,398</u>	<u>\$ 3,398</u>	<u>\$ 14,476</u>	<u>\$ 11,078</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Breast and Cervical Cancer Project Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 221,760	\$ 221,760	\$ 219,390	\$ (2,370)
Gifts and Contributions	1,000	1,000		(1,000)
Private Grant	120,000	120,400	100,000	(20,400)
Miscellaneous	1,000	1,000	1,543	543
<i>Total Receipts</i>	<u>343,760</u>	<u>344,160</u>	<u>320,933</u>	<u>(23,227)</u>
Disbursements				
Community Health Services				
Breast and Cervical Cancer Project	343,760	344,160	316,208	27,952
<i>Net Change in Fund Balances</i>			4,725	4,725
Prior Year Encumbrances Appropriated	500	500	500	
<i>Fund Balances Beginning of Year</i>	<u>48,709</u>	<u>48,709</u>	<u>48,709</u>	
<i>Fund Balances End of Year</i>	<u>\$ 49,209</u>	<u>\$ 49,209</u>	<u>\$ 53,934</u>	<u>\$ 4,725</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Health Infrastructure Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 131,364	\$ 269,772	\$ 191,586	\$ (78,186)
Contractual Services	55,000	55,000	64,875	9,875
Private Grant			50,000	50,000
Miscellaneous			35	35
<i>Total Receipts</i>	<u>186,364</u>	<u>324,772</u>	<u>306,496</u>	<u>(18,276)</u>
Disbursements				
Community Health Services				
Public Health Emergency Preparedness	<u>186,364</u>	<u>324,732</u>	<u>319,576</u>	<u>5,156</u>
<i>Excess of Receipts Over (Under) Disbursements</i>		<u>40</u>	<u>(13,080)</u>	<u>(13,120)</u>
Other Financing Sources (Uses)				
Transfers Out		<u>(40)</u>		<u>40</u>
<i>Net Change in Fund Balances</i>			<u>(13,080)</u>	<u>(13,080)</u>
<i>Fund Balances Beginning of Year</i>	<u>28,196</u>	<u>28,196</u>	<u>28,196</u>	
<i>Fund Balances End of Year</i>	<u>\$ 28,196</u>	<u>\$ 28,196</u>	<u>\$ 15,116</u>	<u>\$ (13,080)</u>

See accompanying notes to the basic financial statements

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009**

Note 1 – Reporting Entity

The Fulton County Health Department (the Health Department) is governed by a six-member Board of Health. Four of the Board members are appointed by the Department Advisory Council and one member is appointed by the City of Wauseon and one member is appointed by the Fulton County Licensing Council. The Board appoints a health commissioner and all employees of the Health Department.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health Department. The Health Department's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, and emergency response planning.

B. Public Entity Risk Pools

The Health Department participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP).

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health Department's accounting policies.

A. Basis of Presentation

The Health Department's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

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

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 2 - Summary of Significant Accounting Policies (continued)

The statement of net assets presents the cash balance of the governmental activities of the Health Department at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health Department's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health Department 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 or capital requirements of a particular program, and receipts of interest earned on grants that are required to be sent back to the Ohio Department of Health. Receipts which are not classified as program receipts are presented as general receipts of the Health Department, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on the cash basis or draws from the general receipts of the Health Department.

Fund Financial Statements

During the year, the Health Department segregates transactions related to certain Health Department 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 Health Department 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 Health Department 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. Funds are used to segregate resources that are restricted as to use. The funds of the Health Department are presented as governmental.

Governmental Funds

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

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

The Environmental Fund accounts for monies received from licenses and permits for items such as food, water, sewage, swimming pools, camps, manufactured home parks, solid waste, infectious waste, and other non-mandated programs. There is no restriction on the use of these funds.

The Women, Infants, and Children special revenue fund accounts for federal grant monies for the Women, Infants, and Children Program. These grant monies are used to improve the health status and prevent health problems to Ohio's at-risk women, infants and children.

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 2 - Summary of Significant Accounting Policies (continued)

The Breast and Cervical Cancer Project Fund accounts for all financial resources related to the Breast and Cervical Cancer Project Grant from the Ohio Department of Health. The purpose of this program is to assure breast and cervical cancer screening and follow-up and support services are available for low income women. The fund also accounts for all financial resources from the Northwest Ohio Susan G. Komen Foundation.

The Public Health Infrastructure Fund accounts for all financial resources related to the Public Health Emergency Preparedness (PHEP) Grant along with the Public Health Emergency Response (PHER) grants. These grants help to maintain and expand public health capability to achieve core leadership during public health emergencies.

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

C. Basis of Accounting

The Health Department's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health Department's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued 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 tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Health Department may appropriate. The appropriations resolution is the Health Department's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Health Department. The legal level of control has been established by the Health Department at the object level for all funds.

ORC Section 3709.28 establishes budgetary requirements for the Health Department, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health Department 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 Health Department may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Health Department.

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 2 - Summary of Significant Accounting Policies (continued)

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

E. Cash and Investments

The County Treasurer is the custodian for the Health Department's cash and investments. The County's cash and investment pool holds the Health Department's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. This information may be obtained by writing Beverly Schlosser, Fulton County Treasurer, 152 S Fulton Street, Wauseon, OH 43567 or by calling 419-337-9252.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. 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 Health Department's cash basis of accounting.

H. Employer Contributions to Cost-Sharing Pension Plans

The Health Department recognizes the disbursement for 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.

I. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include fund balances for the following funds: Women, Infant, and Children; Breast and Cervical Cancer Project; Children and Family Health Services; Family Planning; Immunization Action Plan; Public Health Infrastructure; Cardiovascular Health; and Women's Health Services.

The Health Department's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

J. Fund Balance Reserves

The Health Department reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. 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.

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 3 - Budgetary Basis of Accounting

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

General Fund	\$3,200
Major Special Revenue Fund:	
Environmental Fund	\$133
Public Health Infrastructure Fund	\$627

Note 4 - Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Health District. Property tax receipts received in 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien on December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

2009 tangible property taxes are levied after October 1, 2008, on the value as of December 31, 2008. Collections are made in 2009. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Health Department operations for the year ended December 31, 2009, was \$1.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 4 - Property Taxes (continued)

Real Property:	
Residential	\$573,385,600
Agricultural	123,226,000
Commercial/Industrial/Mineral	170,958,580
Public Utility Property	<u>34,699,280</u>
Total Assessed Value	<u>\$902,269,460</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Health District. The County Auditor periodically remits to the Health District its portion of the taxes collected.

Note 5 - Risk Management

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

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

The Health Department 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.

A. Public Entity Risk Pool

Casualty Insurance

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

For occurrences on or after January 1, 2006, PEP retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

Property Insurance

Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined PEP members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 5 - Risk Management (continued)

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 PEP member.

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, 2008 and 2007 (the latest information available):

<u>Casualty & Property Coverage</u>	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Net Assets – unrestricted	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include approximately \$12.9 million and \$15.0 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Health Department's share of these unpaid claims collectible in future years is approximately \$5,000. This payable includes the subsequent year's contribution due if the Health Department 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.

<u>Contributions to PEP</u>	
2007	\$4,571
2008	\$4,529
2009	\$4,734

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

B. Commercial Coverage

Cincinnati Insurance Company holds the coverage for building contents with a \$550,000 limit and a \$500 deductible. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 5 - Risk Management (continued)

C. Workers' Compensation

The Health Department pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

D. Employee Benefits

The Health Department provided health insurance to eligible employees through a County Consortium. The Health Department provides life insurance in the amount of \$15,000 for eligible employees and accidental death and dismemberment insurance to most employees through Ft. Dearborn Life.

Note 6 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10 percent of covered payroll.

The Health Department's contribution rate for 2009 was 14 percent of covered payroll. For the period January 1, through March 31, 2009, a portion of the Health District's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Health District of 14 percent.

The Health Department's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$183,528, \$172,465, and \$159,649, respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 were \$6,080 made by the Health Department's and \$4,343 made by the plan members.

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 6 - Defined Benefit Pension Plans (continued)

B. Social Security System

Under the Ohio Revised Code (ORC) §145.034, all employees covered by the Ohio Public Employees Retirement System (OPERS) have the option to choose Social Security as their desired retirement system. As of December 31, 2009, six members of the Health Department have elected Social Security. The Board's liability is 6.2 percent of wages.

Note 7 - Postemployment Benefits

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Health District's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$75,743, \$86,233, and \$63,044 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

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

**Fulton County Health Department
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2009
(Continued)**

Note 8 - Interfund Transfers

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Environmental Fund	\$ 180,000
Other Governmental Funds	<u>3,600</u>
Total Transfers from the General Fund	<u>\$ 183,600</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Health Department 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 refunds would be immaterial.

Note 10 - Related Party

The Health Department entered into contracts with Dr. Murtiff for family planning and physician services. Dr. Murtiff's spouse is a member of the Board of Health, but abstains from voting on the doctor's contracts. Total payments to Dr. Murtiff during the audit period totaled \$10,500.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR <i>Pass-through Grantor</i> Program Title	Federal CFDA Number	Project Number	Disbursements
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Passed Through the Ohio Department of Health</i>			
Family Planning Services	93.217	02610011FP0108 02610011FP0209	\$ 4,444 <u>86,038</u> 90,482
Immunization Grants	93.268	02610012IM0109	39,615
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	02610014BC0209 02610014BC0310	60,926 <u>73,303</u> 134,229
Maternal and Child Health Services Block Grant to the States	93.994	02610011MC0209 02610011MC0310	11,325 <u>10,899</u> 22,224
Public Health Emergency Preparedness	93.069	02610012PI0209 02610012PI0110	64,552 <u>149,517</u> 214,069
<i>Passed Through The Ohio State University Research Foundation</i>			
Pandemic Influenza-Rural (Initiative B)	93.069	60019582	<u>49,236</u> <u>263,305</u>
Total Department of Health and Human Services			<u>549,855</u>
UNITED STATES DEPARTMENT OF AGRICULTURE <i>Passed Through the Ohio Department of Health</i>			
Special Supplemental, Nutrition Program for Women, Infants, and Children	10.557	02610011WA0209 02610011WA0310	204,613 <u>50,498</u>
Total Department of Agriculture			<u>255,111</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u><u>\$ 804,966</u></u>

The accompanying notes are an integral part of this schedule.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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



Mary Taylor, CPA

Auditor of State

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

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, (the Health Department) as of and for the year ended December 31, 2009, which collectively comprise the Health Department's basic financial statements and have issued our report thereon dated April 12, 2010 wherein we noted the Health Department prepared its financial statements on the cash basis. 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 Health Department'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 Health Department's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Health Department'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 Health Department's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the Health Department'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 management, the audit committee, Board of Health, federal awarding agencies, pass-through entities, and others within the Health Department. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

April 12, 2010



Mary Taylor, CPA

Auditor of State

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

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Compliance

We have audited the compliance of Fulton County Health Department, Fulton County, (the Health Department) 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 each of its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Health Department's major federal programs. The Health Department's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Health Department's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Health Department'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 Health Department's compliance with those requirements.

In our opinion, the Fulton County Health Department complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The Health Department'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 Health Department'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 opining on 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 Health Department'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 of Health, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

April 12, 2010

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program For Women, Infants, And Children (WIC) – CFDA # 10.557 Public Health Emergency Preparedness – Public Health Infrastructure, Pandemic Influenza Funds – CFDA #93.069
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None



Mary Taylor, CPA
Auditor of State

FULTON COUNTY HEALTH DEPARTMENT

FULTON 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
MAY 6, 2010**