



Dave Yost • Auditor of State

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis December 31, 2011.....	3
Statement of Activities – Cash Basis For the Year Ended December 31, 2011	4
Fund Financial Statements	
Statement of Assets and Fund Balances – Cash Basis – Governmental Funds December 31, 2011	6
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis – Governmental Funds For the Year Ended December 31, 2011.....	8
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund For the Year Ended December 31, 2011.....	10
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public Health Nursing Fund For the Year Ended December 31, 2011.....	11
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Dental Sealant Fund For the Year Ended December 31, 2011.....	12
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public Health Infrastructure Fund For the Year Ended December 31, 2011.....	13
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Sewage Disposal Fund For the Year Ended December 31, 2011	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Dental Clinic Fund For the Year Ended December 31, 2011.....	15

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Government – Wide Financial Statements:	
Statement of Net Assets – Cash Basis For the Year Ended December 31, 2010	17
Statement of Activities – Cash Basis For the Year Ended December 31, 2010	18
Fund Financial Statements	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds December 31, 2010	20
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2010.....	22
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund For the Year Ended December 31, 2010.....	24
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public Health Nursing Fund For the Year Ended December 31, 2010.....	25
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Dental Sealant Fund For the Year Ended December 31, 2011.....	26
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Sewage Fund For the Year Ended December 31, 2011.....	27
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Dental Clinic Fund For the Year Ended December 31, 2010.....	28
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public Health Emergency Preparedness Fund For the Year Ended December 31, 2010.....	29
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public Health Emergency Response Fund For the Year Ended December 31, 2011	30
Notes to the Financial Statements	31
Independent Accountants’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	4H

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Schedule of Findings.....	4í
Schedule of Prior Audit Findings.....	4ì

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

District Board of Health
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

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, Washington County, Ohio (the Health District), as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Health District's basis 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 an opinion on these financial statements based on our audit.

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

As 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.

The Health District did not provide adequate supporting documentation for charges for services recorded in the Public Health Nursing Special Revenue Fund in 2010, nor were we able to satisfy ourselves as to the completeness of those receipts by other auditing procedures. These charges for services receipts represent 92 percent of the cash receipts of the Public Health Nursing Fund receipts for the year ended December 31, 2010.

In our opinion, except for the effect of adjustments, if any, that might have been required had we been able to examine sufficient appropriate evidence regarding the charges for services receipts of the Public Health Nursing Fund as described in paragraph four, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the District Board of Health, Washington County, Ohio as of December 31, 2011 and 2010 and the respective changes in cash financial position and the respective budgetary comparisons for the General, Public Health Nursing, Dental Sealant, Public Health Infrastructure, Sewage Disposal, Dental Clinic, Public Health Emergency Preparedness and Public Health Emergency Response Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

As described in Note 3, during 2011 the Health District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2012, on our consideration of the Health District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Dave Yost
Auditor of State

December 11, 2012

Washington County General Health District

Statement of Net Assets - Cash Basis

December 31, 2011

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$92,396</u>
<i>Total Assets</i>	<u><u>\$92,396</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$81,810
Unrestricted	<u>10,586</u>
<i>Total Net Assets</i>	<u><u>\$92,396</u></u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Activities - Cash Basis
For the Year Ended December 31, 2011

	Program Cash Receipts	
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities		
Current:		
Health:		
Administration	\$179,961	\$0
Cardiovascular Health	85,031	0
Environmental	145,615	124,869
Nursing	227,368	153,979
Plumbing	32,725	48,450
Preparedness	230,386	0
Dental Sealant	39,882	11,088
Dental Clinic	289,205	204,821
Vital Statistics	29,164	33,444
Remittance to State/Unused Funds	34,935	0
Other Financing Sources/Uses	100,000	100,000
<i>Total Governmental Activities</i>	<u>\$1,394,272</u>	<u>\$576,651</u>

General Receipts:
 Grants/Entitlements not Restricted to Specific Programs
 Miscellaneous

Total General Receipts

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

		Net (Disbursements) Receipts and Changes in Net Assets
Capital Grants and Contributions		Governmental Activities
\$0		(\$89,961)
0		(85,031)
0		(20,746)
0		(73,389)
0		15,725
0		18,871
0		3,206
29,450		(4,934)
0		4,280
0		(34,935)
0		0
<u>\$29,450</u>		<u>(266,914)</u>

246,319
1,200
247,519
(19,395)
111,791
<u>\$92,396</u>

Washington County General Health District
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2011

	<u>General</u>	<u>Public Health Nursing</u>	<u>Dental Sealant</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$10,586</u>	<u>\$6,021</u>	<u>\$20,465</u>
<i>Total Assets</i>	<u><u>\$10,586</u></u>	<u><u>\$6,021</u></u>	<u><u>\$20,465</u></u>
Fund Balances			
Restricted		\$6,021	\$20,465
Assigned	\$9,721		
Unassigned (Deficit)	<u>865</u>		
<i>Total Fund Balances</i>	<u><u>\$10,586</u></u>	<u><u>\$6,021</u></u>	<u><u>\$20,465</u></u>

See accompanying notes to the basic financial statements.

Public Health Infrastructure	Sewage Disposal	Dental Clinic	Other Governmental Funds	Total Governmental Funds
\$10,215	\$5,487	\$7,489	\$32,133	\$92,396
\$10,215	\$5,487	\$7,489	\$32,133	\$92,396
\$10,215	\$5,487	\$7,489	\$32,133	\$81,810 9,721 865
\$10,215	\$5,487	\$7,489	\$32,133	\$92,396

Washington County General Health District
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2011

	General	Public Health Nursing	Dental Sealant
Receipts			
Intergovernmental	\$246,319	\$21,110	\$32,000
Fines, Licenses and Permits	2,255	0	0
Charges for Services	33,450	132,869	11,088
Miscellaneous	283	12	0
<i>Total Receipts</i>	<u>282,307</u>	<u>153,991</u>	<u>43,088</u>
Disbursements			
Current:			
Health:			
Administration	142,118	9,625	3,579
Cardiovascular Health	0	0	0
Environmental Health	21,615	0	0
Nursing	55,512	163,082	0
Plumbing	1,406	0	0
Preparedness	232	0	0
Dental Sealant	0	0	39,882
Dental Clinic	20	0	0
Vital Statistics	29,091	74	0
Remittance to State/Unused Funds	19,495	0	0
<i>Total Disbursements</i>	<u>269,489</u>	<u>172,781</u>	<u>43,461</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>12,818</u>	<u>(18,790)</u>	<u>(373)</u>
Other Financing Sources (Uses)			
Transfers In	27	0	0
Transfers Out	0	0	0
Advances In	14,445	3,000	0
Advances Out	(35,545)	0	0
Other Financing Sources	100,000	0	0
Other Financing Uses	(100,000)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(21,073)</u>	<u>3,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(8,255)	(15,790)	(373)
<i>Fund Balances Beginning of Year</i>	<u>18,841</u>	<u>21,811</u>	<u>20,838</u>
<i>Fund Balances End of Year</i>	<u><u>\$10,586</u></u>	<u><u>\$6,021</u></u>	<u><u>\$20,465</u></u>

See accompanying notes to the basic financial statements.

Public Health Infrastructure	Sewage Disposal	Dental Clinic	Other Governmental Funds	Total Governmental Funds
\$188,299	\$0	\$50,000	\$150,958	\$688,686
0	84,650	0	66,165	153,070
0	17,175	204,821	3,068	402,471
0	0	78	30,277	30,650
<u>188,299</u>	<u>101,825</u>	<u>254,899</u>	<u>250,468</u>	<u>1,274,877</u>
2,200	4,391	9,233	8,813	179,959
0	0	0	85,031	85,031
0	72,995	0	51,005	145,615
8,614	0	0	160	227,368
0	31,319	0	0	32,725
171,206	0	0	58,947	230,385
0	0	0	0	39,882
0	0	264,787	24,400	289,207
0	0	0	0	29,165
0	1,650	0	13,790	34,935
<u>182,020</u>	<u>110,355</u>	<u>274,020</u>	<u>242,146</u>	<u>1,294,272</u>
<u>6,279</u>	<u>(8,530)</u>	<u>(19,121)</u>	<u>8,322</u>	<u>(19,395)</u>
0	0	0	3,361	3,388
(3,361)	0	0	(27)	(3,388)
13,900	0	18,100	545	49,990
(13,900)	0	0	(545)	(49,990)
0	0	0	0	100,000
0	0	0	0	(100,000)
<u>(3,361)</u>	<u>0</u>	<u>18,100</u>	<u>3,334</u>	<u>0</u>
2,918	(8,530)	(1,021)	11,656	(19,395)
<u>7,297</u>	<u>14,017</u>	<u>8,510</u>	<u>20,477</u>	<u>111,791</u>
<u>\$10,215</u>	<u>\$5,487</u>	<u>\$7,489</u>	<u>\$32,133</u>	<u>\$92,396</u>

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$247,000	\$247,000	\$246,319	(\$681)
Fines, Licenses and Permits	1,930	1,930	2,255	325
Charges for Services	30,930	30,930	33,450	2,520
Miscellaneous	0	0	283	283
<i>Total Receipts</i>	<u>279,860</u>	<u>279,860</u>	<u>282,307</u>	<u>2,447</u>
Disbursements				
Current:				
Health:				
Administration	269,859	256,907	146,213	110,694
Environmental Health	0	0	21,615	(21,615)
Nursing	0	0	55,512	(55,512)
Plumbing	0	0	1,406	(1,406)
Preparedness	0	0	233	(233)
Dental Clinic	0	0	20	(20)
Vital Statistics	0	0	29,091	(29,091)
Remittance to State/Unused Funds	17,754	25,121	25,121	0
<i>Total Disbursements</i>	<u>287,613</u>	<u>282,028</u>	<u>279,211</u>	<u>2,817</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(7,753)</u>	<u>(2,168)</u>	<u>3,096</u>	<u>5,264</u>
Other Financing Sources (Uses)				
Transfers In	0	0	27	27
Advances In	0	135,545	14,445	(121,100)
Advances Out	0	(135,545)	(35,545)	100,000
Other Financing Sources	0	0	100,000	100,000
Other Financing Uses	0	0	(100,000)	(100,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(21,073)</u>	<u>(21,073)</u>
<i>Net Change in Fund Balance</i>	(7,753)	(2,168)	(17,977)	(15,809)
<i>Unencumbered Fund Balance Beginning of Year</i>	11,088	11,088	11,088	0
<i>Prior Year Encumbrances Appropriated</i>	<u>7,753</u>	<u>7,753</u>	<u>7,753</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$11,088</u>	<u>\$16,673</u>	<u>\$864</u>	<u>(\$15,809)</u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Health Nursing Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$25,000	\$25,000	\$21,110	(\$3,890)
Charges for Services	200,000	200,000	132,869	(67,131)
Miscellaneous	0	0	12	12
<i>Total Receipts</i>	<u>225,000</u>	<u>225,000</u>	<u>153,991</u>	<u>(71,009)</u>
Disbursements				
Current:				
Health:				
Administration	0	0	10,176	(10,176)
Nursing	230,167	230,262	164,070	66,192
Vital Statistics	0	0	74	(74)
<i>Total Disbursements</i>	<u>230,167</u>	<u>230,262</u>	<u>174,320</u>	<u>55,942</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,167)</u>	<u>(5,262)</u>	<u>(20,329)</u>	<u>(15,067)</u>
Other Financing Sources (Uses)				
Advances In	0	3,000	3,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(5,167)	(2,262)	(17,329)	(15,067)
<i>Unencumbered Fund Balance Beginning of Year</i>	18,701	18,701	18,701	0
Prior Year Encumbrances Appropriated	<u>3,110</u>	<u>3,110</u>	<u>3,110</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$16,644</u>	<u>\$19,549</u>	<u>\$4,482</u>	<u>(\$15,067)</u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Dental Sealant Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$39,300	\$32,000	\$32,000	\$0
Charges for Services	12,000	12,000	11,088	(912)
<i>Total Receipts</i>	51,300	44,000	43,088	(912)
Disbursements				
Current:				
Health:				
Administration	0	0	3,579	(3,579)
Dental Sealant	52,364	52,364	40,006	12,358
<i>Total Disbursements</i>	52,364	52,364	43,585	8,779
<i>Net Change in Fund Balance</i>	(1,064)	(8,364)	(497)	(9,691)
<i>Unencumbered Fund Balance Beginning of Year</i>	19,869	19,869	19,869	0
Prior Year Encumbrances Appropriated	969	969	969	0
<i>Unencumbered Fund Balance End of Year</i>	\$19,774	\$12,474	\$20,341	(\$9,691)

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Health Infrastructure Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$122,756	\$214,897	\$188,299	(\$26,598)
<i>Total Receipts</i>	<u>122,756</u>	<u>214,897</u>	<u>188,299</u>	<u>(26,598)</u>
Disbursements				
Current:				
Health:				
Administration	0	0	2,200	(2,200)
Nursing	0	0	8,614	(8,614)
Preparedness	128,807	195,517	176,661	18,856
<i>Total Disbursements</i>	<u>128,807</u>	<u>195,517</u>	<u>187,475</u>	<u>8,042</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,051)</u>	<u>19,380</u>	<u>824</u>	<u>(18,556)</u>
Other Financing Sources (Uses)				
Transfers Out	0	(3,361)	(3,361)	0
Advances In	0	13,900	13,900	0
Advances Out	0	(13,900)	(13,900)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(3,361)</u>	<u>(3,361)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,051)	16,019	(2,537)	(18,556)
<i>Unencumbered Fund Balance Beginning of Year</i>	1,804	1,804	1,804	0
Prior Year Encumbrances Appropriated	5,493	5,493	5,493	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$1,246</u>	<u>\$23,316</u>	<u>\$4,760</u>	<u>(\$18,556)</u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Sewage Disposal Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Fines, Licenses and Permits	\$98,200	\$76,040	\$84,650	\$8,610
Charges for Services	15,000	22,500	17,175	(5,325)
<i>Total Receipts</i>	<u>113,200</u>	<u>98,540</u>	<u>101,825</u>	<u>3,285</u>
Disbursements				
Current:				
Health:				
Administration	0	0	4,391	(4,391)
Environmental Health	83,886	83,130	73,163	9,967
Plumbing	30,808	27,922	31,423	(3,501)
Remittance to State/Unused Funds	3,525	2,050	2,050	0
<i>Total Disbursements</i>	<u>118,219</u>	<u>113,102</u>	<u>111,027</u>	<u>2,075</u>
<i>Net Change in Fund Balance</i>	(5,019)	(14,562)	(9,202)	1,210
<i>Unencumbered Fund Balance Beginning of Year</i>	9,353	9,353	9,353	0
Prior Year Encumbrances Appropriated	<u>4,664</u>	<u>4,664</u>	<u>4,664</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$8,998</u>	<u>(\$545)</u>	<u>\$4,815</u>	<u>\$1,210</u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Southeastern Ohio Dental Clinic Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$65,000	\$50,000	\$50,000	\$0
Charges for Services	246,400	235,000	204,821	(30,179)
Miscellaneous	0	0	78	78
<i>Total Receipts</i>	<u>311,400</u>	<u>285,000</u>	<u>254,899</u>	<u>(30,101)</u>
Disbursements				
Current:				
Health:				
Administration	0	0	9,233	(9,233)
Dental Clinic	307,671	291,244	267,477	23,767
<i>Total Disbursements</i>	<u>307,671</u>	<u>291,244</u>	<u>276,710</u>	<u>14,534</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>3,729</u>	<u>(6,244)</u>	<u>(21,811)</u>	<u>(15,567)</u>
Other Financing Sources (Uses)				
Advances In	0	18,100	18,100	0
Advances Out	0	(10,100)	0	10,100
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>8,000</u>	<u>18,100</u>	<u>10,100</u>
<i>Net Change in Fund Balance</i>	3,729	1,756	(3,711)	(5,467)
<i>Unencumbered Fund Balance Beginning of Year</i>	4,837	4,837	4,837	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,673</u>	<u>3,673</u>	<u>3,673</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$12,239</u>	<u>\$10,266</u>	<u>\$4,799</u>	<u>(\$5,467)</u>

See accompanying notes to the basic financial statements.

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Washington County General Health District

Statement of Net Assets - Cash Basis

December 31, 2010

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$111,791</u>
<i>Total Assets</i>	<u><u>\$111,791</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$92,950
Unrestricted	<u>18,841</u>
<i>Total Net Assets</i>	<u><u>\$111,791</u></u>

See accompanying notes to the basic financial statements

Washington County General Health District
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010

	Program Cash Receipts	
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities		
Current:		
Health:		
Administration	\$181,544	\$0
Cardiovascular Health	91,435	67
Environmental	148,149	118,538
Nursing	243,614	185,885
Plumbing	30,960	38,500
Preparedness	307,127	0
Dental Sealant	39,273	11,380
SEODC	290,806	217,782
Vital Statistics	29,952	23,471
Remitted to State.Unused Funds	111,775	0
Other Financing Uses	57,056	0
<i>Total Governmental Activities</i>	<u>\$1,531,691</u>	<u>\$595,623</u>
		<u>\$586,375</u>

General Receipts:
Grants/Entitlements not Restricted to Specific Programs
Miscellaneous

Total General Receipts

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Disbursements)
Receipts and Changes
in Net Assets

Governmental
Activities

(\$181,544)
(1,368)
(29,611)
(57,729)
7,540
39,192
7,107
(15,024)
(6,481)
(111,775)

0
0
(349,693)

235,671

30

235,701

(113,992)

225,783

\$111,791

Washington County General Health District
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Public Health Nursing	Dental Sealant	Sewage Disposal
Assets				
Equity in Pooled Cash and Cash Equivalents	\$18,841	\$21,811	\$19,869	\$9,353
<i>Total Assets</i>	<u>\$18,841</u>	<u>\$21,811</u>	<u>\$19,869</u>	<u>\$9,353</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$7,753	\$3,110	\$969	\$4,664
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	11,088			
Special Revenue Funds		18,701	18,900	4,689
<i>Total Fund Balances</i>	<u>\$18,841</u>	<u>\$21,811</u>	<u>\$19,869</u>	<u>\$9,353</u>

See accompanying notes to the basic financial statements.

Dental Clinic	Public Health Emergency Preparedness	Public Health Emergency Response	Other Governmental Funds	Total Governmental Funds
\$8,510	\$11	\$20	\$33,376	\$111,791
\$8,510	\$11	\$20	\$33,376	\$111,791
\$3,673	\$0	\$0	\$10,678	\$30,847
4,837	11	20	22,698	11,088 69,856
\$8,510	\$11	\$20	\$33,376	\$111,791

Washington County General Health District
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Public Health Nursing	Dental Sealant	Sewage Disposal
Receipts				
Intergovernmental	\$236,883	\$14,510	\$35,000	\$69,050
Fines, Licenses and Permits	1,200	0	0	0
Charges for Services	23,471	171,375	11,380	17,675
Miscellaneous	30	0	0	0
<i>Total Receipts</i>	<u>261,584</u>	<u>185,885</u>	<u>46,380</u>	<u>86,725</u>
Disbursements				
Current:				
Health:				
Administration	144,218	11,159	3,636	4,074
Cardiovascular Health	158	0	0	0
Environmental Health	39,548	0	0	52,178
Nursing	26,629	204,888	0	0
Plumbing	0	0	0	30,960
Preparedness	6	0	0	0
Sealant	95	0	39,178	0
Dental Clinic	52	0	0	0
Vital Statistics	29,952	0	0	0
Remittance to State/Unused Funds	10,691	0	3,494	2,075
<i>Total Disbursements</i>	<u>251,349</u>	<u>216,047</u>	<u>46,308</u>	<u>89,287</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>10,235</u>	<u>(30,162)</u>	<u>72</u>	<u>(2,562)</u>
Other Financing Sources (Uses)				
Advances In	69,680	12,600	0	0
Advances Out	(85,905)	(12,600)	0	0
Other Financing Sources	57,056	0	0	0
Other Financing Uses	(57,056)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(16,225)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(5,990)	(30,162)	72	(2,562)
<i>Fund Balances Beginning of Year</i>	<u>24,831</u>	<u>51,973</u>	<u>20,232</u>	<u>15,793</u>
<i>Fund Balances End of Year</i>	<u><u>\$18,841</u></u>	<u><u>\$21,811</u></u>	<u><u>\$20,304</u></u>	<u><u>\$13,231</u></u>

See accompanying notes to the basic financial statements.

Dental Clinic	Public Health Emergency Preparedness	Public Health Emergency Response	Other Governmental Funds	Total Governmental Funds
\$50,000	\$92,068	\$192,873	\$82,328	\$772,712
0	0	0	133,495	134,695
217,782	0	0	3,523	445,206
0	0	0	8,000	8,030
<u>267,782</u>	<u>92,068</u>	<u>192,873</u>	<u>227,346</u>	<u>1,360,643</u>
3,341	2,041	0	13,075	181,544
0	0	0	91,277	91,435
0	0	0	56,423	148,149
0	6,586	0	5,512	243,615
0	0	0	0	30,960
0	120,292	136,827	50,000	307,125
0	0	0	0	39,273
282,755	0	0	8,000	290,807
0	0	0	0	29,952
0	0	86,128	9,387	111,775
<u>286,096</u>	<u>128,919</u>	<u>222,955</u>	<u>233,674</u>	<u>1,474,635</u>
<u>(18,314)</u>	<u>(36,851)</u>	<u>(30,082)</u>	<u>(6,328)</u>	<u>(113,992)</u>
38,725	41,300	0	18,400	180,705
(22,500)	(41,300)	0	(18,400)	(180,705)
0	0	0	0	57,056
0	0	0	0	(57,056)
<u>16,225</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(2,089)</u>	<u>(36,851)</u>	<u>(30,082)</u>	<u>(6,328)</u>	<u>(113,992)</u>
<u>10,599</u>	<u>36,862</u>	<u>30,102</u>	<u>35,391</u>	<u>225,783</u>
<u>\$8,510</u>	<u>\$11</u>	<u>\$20</u>	<u>\$29,063</u>	<u>\$111,791</u>

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$237,500	\$232,500	\$236,883	\$4,383
Fines, Licenses and Permits	1,930	1,930	1,200	(730)
Charges for Services	25,180	23,870	23,471	(399)
Miscellaneous	0	(349)	30	379
<i>Total Receipts</i>	264,610	257,951	261,584	3,633
Disbursements				
Current:				
Health:				
Administration	263,540	245,691	147,017	98,674
Cardiovascular Health	0	0	158	(158)
Environmental	0	0	39,548	(39,548)
Nursing	0	0	26,629	(26,629)
Preparedness	0	0	6	(6)
Dental Sealant	0	0	95	(95)
Dental Clinic	0	0	52	(52)
Vital Statistics	0	0	29,952	(29,952)
Remittance to State/Unused Funds	15,645	15,644	15,644	0
<i>Total Disbursements</i>	279,185	261,335	259,101	2,234
<i>Excess of Receipts Over (Under) Disbursements</i>	(14,575)	(3,384)	2,483	5,867
Other Financing Sources (Uses)				
Advances In	0	126,736	69,680	(57,056)
Advances Out	0	(142,961)	(85,905)	57,056
Other Financing Sources	0	0	57,056	57,056
Other Financing Uses	0	0	(57,056)	(57,056)
<i>Total Other Financing Sources (Uses)</i>	0	(16,225)	(16,225)	0
<i>Net Change in Fund Balance</i>	(14,575)	(19,609)	(13,742)	5,867
<i>Unencumbered Fund Balance Beginning of Year</i>	17,739	17,739	17,739	0
Prior Year Encumbrances Appropriated	7,091	7,091	7,091	0
<i>Unencumbered Fund Balance End of Year</i>	\$10,255	\$5,221	\$11,088	\$5,867

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Health Nursing Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$60,000	\$21,191	\$14,510	(\$6,681)
Charges for Services	121,000	150,375	171,375	21,000
<i>Total Receipts</i>	<u>181,000</u>	<u>171,566</u>	<u>185,885</u>	<u>14,319</u>
Disbursements				
Current:				
Health:				
Administration	0	0	11,329	(11,329)
Nursing	183,028	219,781	207,827	11,954
<i>Total Disbursements</i>	<u>183,028</u>	<u>219,781</u>	<u>219,156</u>	<u>625</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,028)</u>	<u>(48,215)</u>	<u>(33,271)</u>	<u>14,944</u>
Other Financing Sources (Uses)				
Advances In	0	12,600	12,600	0
Advances Out	0	(12,600)	(12,600)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,028)	(48,215)	(33,271)	14,944
<i>Unencumbered Fund Balance Beginning of Year</i>	49,945	49,945	49,945	0
Prior Year Encumbrances Appropriated	<u>2,028</u>	<u>2,028</u>	<u>2,028</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$49,945</u></u>	<u><u>\$3,758</u></u>	<u><u>\$18,702</u></u>	<u><u>\$14,944</u></u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Dental Sealant Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$37,500	\$35,000	\$35,000	\$0
Charges for Services	10,000	11,380	11,380	0
<i>Total Receipts</i>	<u>47,500</u>	<u>46,380</u>	<u>46,380</u>	<u>0</u>
Disbursements				
Current:				
Health:				
Administration	1,330	4,170	3,636	534
Dental Sealant	46,704	44,937	40,147	4,790
Remittance to State/Unused Funds	0	4,008	3,494	514
<i>Total Disbursements</i>	<u>48,034</u>	<u>53,115</u>	<u>47,277</u>	<u>5,838</u>
<i>Net Change in Fund Balance</i>	(534)	(6,735)	(897)	(5,838)
<i>Unencumbered Fund Balance Beginning of Year</i>	20,232	20,232	20,232	0
Prior Year Encumbrances Appropriated	534	534	534	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$20,232</u>	<u>\$14,031</u>	<u>\$19,869</u>	<u>(\$5,838)</u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Sewage Disposal Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Fines, Licenses and Permits	\$60,000	\$65,845	\$69,050	\$3,205
Charges for Services	14,500	16,950	17,675	725
<i>Total Receipts</i>	<u>74,500</u>	<u>82,795</u>	<u>86,725</u>	<u>3,930</u>
Disbursements				
Current:				
Health:				
Administration	4,074	4,458	4,074	384
Environmental Health	52,198	57,118	56,862	256
Plumbing	30,960	33,878	30,960	2,918
Remittance to State/Unused Funds	2,075	2,271	2,075	196
<i>Total Disbursements</i>	<u>89,307</u>	<u>97,725</u>	<u>93,971</u>	<u>3,754</u>
<i>Net Change in Fund Balance</i>	(14,807)	(14,930)	(7,246)	176
<i>Unencumbered Fund Balance Beginning of Year</i>	15,793	15,793	15,793	0
Prior Year Encumbrances Appropriated	<u>806</u>	<u>806</u>	<u>806</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$1,792</u>	<u>\$1,669</u>	<u>\$9,353</u>	<u>\$176</u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Dental Clinic Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$243,000	\$117,724	\$50,000	(\$67,724)
Charges for Services	30,000	140,000	217,782	77,782
<i>Total Receipts</i>	<u>273,000</u>	<u>257,724</u>	<u>267,782</u>	<u>10,058</u>
Disbursements				
Current:				
Health:				
Administration	0	0	3,341	(3,341)
Dental Clinic	281,510	290,160	286,428	3,732
<i>Total Disbursements</i>	<u>281,510</u>	<u>290,160</u>	<u>289,769</u>	<u>391</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,510)</u>	<u>(32,436)</u>	<u>(21,987)</u>	<u>10,449</u>
Other Financing Sources (Uses)				
Advances In	0	38,725	38,725	0
Advances Out	0	(22,500)	(22,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>16,225</u>	<u>16,225</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(8,510)	(16,211)	(5,762)	10,449
<i>Unencumbered Fund Balance Beginning of Year</i>	9,089	9,089	9,089	0
Prior Year Encumbrances Appropriated	1,510	1,510	1,510	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$2,089</u>	<u>(\$5,612)</u>	<u>\$4,837</u>	<u>\$10,449</u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Health Emergency Preparedness Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$92,068	\$92,068	\$92,068	\$0
<i>Total Receipts</i>	<u>92,068</u>	<u>92,068</u>	<u>92,068</u>	<u>0</u>
Disbursements				
Current:				
Health:				
Administration	0	0	2,041	(2,041)
Nursing	0	0	6,586	(6,586)
Preparedness	126,365	127,517	125,785	1,732
Remittance to State/Unused Funds	0	1,413	0	1,413
<i>Total Disbursements</i>	<u>126,365</u>	<u>128,930</u>	<u>134,412</u>	<u>(5,482)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(34,297)</u>	<u>(36,862)</u>	<u>(42,344)</u>	<u>(5,482)</u>
Other Financing Sources (Uses)				
Advances In	0	41,300	41,300	0
Advances Out	0	(41,300)	(41,300)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(34,297)</u>	<u>(36,862)</u>	<u>(42,344)</u>	<u>(5,482)</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	34,016	34,016	34,016	0
Prior Year Encumbrances Appropriated	<u>2,846</u>	<u>2,846</u>	<u>2,846</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$2,565</u></u>	<u><u>\$0</u></u>	<u><u>(\$5,482)</u></u>	<u><u>(\$5,482)</u></u>

See accompanying notes to the basic financial statements.

Washington County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Health Emergency Response Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$0	\$192,873	\$192,873	\$0
<i>Total Receipts</i>	<u>0</u>	<u>192,873</u>	<u>192,873</u>	<u>0</u>
Disbursements				
Current:				
Health:				
Preparedness	28,192	137,053	136,827	226
Remittance to State/Unused Funds	0	86,143	86,128	15
<i>Total Disbursements</i>	<u>28,192</u>	<u>223,196</u>	<u>222,955</u>	<u>241</u>
<i>Net Change in Fund Balance</i>	(28,192)	(30,323)	(30,082)	(241)
<i>Unencumbered Fund Balance Beginning of Year</i>	23,276	23,276	23,276	0
Prior Year Encumbrances Appropriated	<u>6,826</u>	<u>6,826</u>	<u>6,826</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$1,910</u></u>	<u><u>(\$221)</u></u>	<u><u>\$20</u></u>	<u><u>(\$241)</u></u>

See accompanying notes to the basic financial statements.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011**

Note 1 - Reporting Entity

The District Board of Health, Washington County, (the Health District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

Primary Government

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

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. 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. (These statements will be eliminated once GASB 62 is implemented.) Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Health District 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 District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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 used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

Fund Financial Statements

During the year, the Health District segregates transactions related to certain Health 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 Health 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 Health 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.

Governmental Funds

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

General Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Public Health Nursing Fund - This fund accounts for all financial resources received and disbursed for the delivery of public health nursing services. These services include, but are not limited to, immunizations, clinics, infectious disease surveillance and investigation, school nurse contract and speech therapy.

Dental Clinic Fund - This fund accounts for the grant awarded by the Ohio Department of Health, client fees and Medicaid reimbursement, and other contributions toward the operation of the Southeastern Ohio Dental Clinic.

Public Health Emergency Preparedness Fund - This fund accounts for the grant funds awarded by the Ohio Department of Health to address bioterrorism, other outbreaks of infectious disease and other public health threats and emergencies at the county and regional public health level.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting – Governmental Funds (Continued)

Public Health Emergency Response Fund - This fund accounts for the grant funds awarded by the Ohio Department of Health to address bioterrorism, other outbreaks of infectious disease and other public health threats and emergencies at the county and regional public health level.

Dental Sealant Fund - This fund accounts for the grant funds awarded by the Ohio Department of Health and billing for services for this particular program.

Sewage Disposal Fund - This fund accounts for the permits and fees associated with home sewage disposal systems and the commercial plumbing program. Services include but are not limited to inspections of existing systems, permits for new systems, soil surveys, installer's licenses, and commercial plumbing permits.

The other governmental funds of the Health District account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Health 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 Health District are described in the appropriate section in this note.

As a result of the use of this 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 expenses and liabilities) 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 the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The County Auditor cannot allocate property taxes from the municipalities and townships within the district if the filing has not been made.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

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

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

E. Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District'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 Treasurer, Dorothy Peppel, 205 Putnam Street, Marietta, Ohio 45750.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. 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. Inventory and Prepaid Items

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

H. Capital Assets

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

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

I. Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

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 Health District's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is 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 through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include programs mandated by the Ohio Revised Code and grants awarded by the Ohio Department of Health or other agencies.

The Health 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.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

N. Fund Balance (Continued)

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Health, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a Health District official delegated that authority by resolution, or by State Statute.

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

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

O. Interfund Transactions

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

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 3 - Change in Accounting Principle

For 2011, the Health District implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 did not change the total fund balances of the major governmental funds and all other governmental funds as previously reported.

Note 4 - 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 – Budget Basis presented for the general fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year end encumbrances treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to:

	2011	2010
General Fund	\$ 9,721	\$ 7,753
Major Special Revenue Funds		
Public Health Nursing	1,539	3,110
Dental Sealant Fund	124	969
Public Health Infrastructure	5,455	
Sewage Disposal	672	4,664
Dental Clinic	2,690	3,673

Note 5 – Interfund Receivables/Payables

Interfund balances at December 31, 2011, consisted of the following individual fund receivables and payables:

Due to General Fund From:	
Dental Clinic Fund	\$ 46,825
Public Health Nursing Fund	3,000
	<u>\$ 49,825</u>

The balance due to the General Fund includes loans made to provide working capital for operations or projects. Of the \$46,835 payable from the Dental Clinic Fund, \$28,725 is outstanding from prior years. As of December 31, 2011, it is the intent that these outstanding advances will be repaid over time and are still valid interfund receivables/payables as of December 31, 2011.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 6 - Risk Management

Risk Pool Membership

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

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

The Health District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Assets	\$33,362,404	\$34,952,010
Liabilities	<u>(14,187,273)</u>	<u>(14,320,812)</u>
Net Assets	<u>\$19,175,131</u>	<u>\$20,631,198</u>

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Health District's share of these unpaid claims collectible in future years is approximately \$7,000.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 6 - Risk Management (Continued)

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

<u>Contributions to PEP</u>	
<u>2011</u>	<u>2010</u>
\$6,893	\$5,542

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description – The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local classifications. For the year ended December 31, 2011, members in state and local classifications contributed 10 percent of covered payroll.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 7 - Defined Benefit Pension Plans (Continued)

Ohio Public Employees Retirement System (Continued)

The Health District's 2011 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The Health District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$94,681, \$101,081, and \$98,031, respectively; 100 percent has been contributed for 2011, 2010 and 2009.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 8 - Postemployment Benefits (Continued)

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

Note 9 - Leases

The Health District entered into lease agreements in 2006 for three 2006 Jeep Liberties. The Jeeps were financed through Daimler Chrysler over three years. Extensions were granted on these leases until August of 2010. The Health District entered into a lease agreement for a 2009 Kia Sportage SUV on 03/12/10. This vehicle was financed through Settlers Bank over three years. The Health District entered into a lease agreement for a 2011 Toyota RAV4 on June 29, 2011. This vehicle was financed through Toyota Financial Services over three years. The Health District disbursed \$5,229 and \$3,021 to pay lease costs for the year ended December 31, 2011 and 2010, respectively. Future lease payments are as follows:

Year	Amount
2012	\$6,374
2013	3,354
2014	1,146
Total	<u>\$10,874</u>

Note 10 - Fund Balances

At December 31, 2011, fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Public Health Nursing	Dental Sealant	Public Health Infrastructure	Sewage Disposal	Dental Clinic	Other Governmental Funds	Total
Restricted for								
Special Revenue Funds		\$ 4,482	\$20,341	\$ 4,760	\$ 4,815	\$ 4,799	\$26,767	\$65,964
<i>Total Restricted</i>	0	4,482	20,341	4,760	4,815	4,799	26,767	65,964
Committed to								
Encumbrances	9,721	1,539	124	5,455	672	2,690	5,366	25,567
<i>Total Committed</i>	9,721	1,539	124	5,455	672	2,690	5,366	25,567
Unassigned	865							865
<i>Total Fund Balances</i>	<u>\$10,586</u>	<u>\$ 6,021</u>	<u>\$20,465</u>	<u>\$ 10,215</u>	<u>\$ 5,487</u>	<u>\$ 7,489</u>	<u>\$32,133</u>	<u>\$92,396</u>

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2011
(Continued)**

Note 11 - Contingent Liabilities

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding of disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



Dave Yost • Auditor of State

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

District Board of Health
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of District Board of Health, Washington County, Ohio (the Health District), as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated December 11, 2012, wherein we noted the Health District uses a comprehensive accounting basis other than generally accepted accounting principles. Also, we qualified our opinion due to the lack of sufficient, appropriate evidential matter for the amounts reported as charges for services for the Public Health Nursing Fund type for the year ended December 31, 2010. Except as discussed in the preceding sentence, 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 District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Health District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Health District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider Findings 2011-02 and 2011-04 described in the accompanying Schedule of Findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Health 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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2011-01 through 2011-03.

We also noted certain matters not requiring inclusion in this report that we reported to the Health District's management in a separate letter dated December 11, 2012.

We intend this report solely for the information and use of management, the Board of Health, and others within the Health District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

December 11, 2012

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

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

FINDING NUMBER 2011-01

Noncompliance Finding

Ohio Rev. Code Section 117.38 provides that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. Any public office not filing the report by the required date shall pay a penalty of twenty-five dollars for each day the report remains unfiled, not to exceed seven hundred fifty dollars. The AOS may waive these penalties, upon the filing of the past due financial report.

The report shall contain the following: (A) amount of collections and receipts, and accounts due from each source; (B) amount of expenditures for each purpose; (C) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation; and (D) amount of public debt of each taxing district, the purpose of the debt, and how the debt will be repaid.

Also, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

The Board of Health did not file the report with the Auditor of State for 2011. Failure to file the annual financial report within 60 days of the fiscal year-end can result in fines and penalties.

We recommend the Board of Health file its annual financial reports with the Auditor of State within 60 days of the fiscal year end.

Official's Response: The County is unable to verify that the annual report was submitted in a timely manner. However, when this was discussed with the County Auditor during the post audit meeting on December 11 the report was mailed to the Auditor of State on December 12.

FINDING NUMBER 2011-02

Noncompliance/Material Weakness

Ohio Rev. Code Section 149.351(A) states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under section 149.33 of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

Prior to May 26, 2010, the Health District maintained manual Daily Immunization Sheets that listed all customers immunized and the price charged to each for that day. This list was then tallied and provided to the Administrative Assistant to post the daily receipts to the accounting system. The Health District was unable to locate any of these sheets for the period January 1, 2010 through May 26, 2010.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

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

**FINDING NUMBER 2011-02
(Continued)**

Noncompliance/Material Weakness - Ohio Rev. Code Section 149.351(A) (Continued)

As a result, we were unable to obtain adequate assurance over the completeness of these receipts.

We recommend all records be maintained according to the Health District's records retention schedule.

Official's Response: The Health Department will comply with records retention policy. Records will be maintained in an organized manner that allows for quick retrieval.

FINDING NUMBER 2011-03

Noncompliance Finding

Ohio Rev. Code Section 3709.28 prohibits the District Board of Health from appropriating more than its estimated resources as submitted to the county budget commission.

At December 31, 2011, appropriations exceeded estimated resources in the Sewage Fund by \$7,375.

Appropriations exceeded estimated resources at December 31, 2010, in the following funds:

Fund	Estimated Resources	Appropriations	Variance
Public Health Nursing	\$ 204,166	\$ 230,353	\$ (26,187)
Southeast Ohio Dental Clinic	303,449	311,149	(7,700)
Public Health Emergency Preparedness	164,901	167,384	(2,483)
Public Health Emergency Response	215,954	216,370	(416)
Sewage Fund	88,725	96,919	(8,194)

We recommend the Health District monitor its estimated revenue and appropriations to ensure that appropriations are within estimated resources.

Official's Response: The Health Department will monitor the budget more closely and make appropriate adjustments so that appropriations do not exceed amended certificates.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-04

Material Weakness

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Health District's 2010 annual report incorrectly omitted the Dental Sealant Fund and Sewage Disposal Fund as major funds.

Additionally, the following transactions were improperly posted for 2010:

- A 2010 County Contribution of \$57,056 was improperly posted as Miscellaneous Revenue rather than as Other Financing Sources in the General Fund. The related expenditure was improperly posted as County Commissioners Advance rather than as Other Financing Uses.
- Advances In and Out were improperly posted as Transfers In and Out in the General Fund for \$69,680, in the Nursing Fund for \$12,600, in the Southeastern Ohio Dental Clinic Fund for \$38,725 and in the Public Health Emergency Preparedness Fund for \$41,300.
- In the Public Health Nursing Fund, the final budgeted Intergovernmental Revenue as reported exceeded the amount formally adopted and posted to the County's ledgers by \$7,000 and the final budgeted Nursing Disbursements as reported exceeded the amount formally adopted and posted to the County's ledgers by \$12,583.
- In the Southeast Ohio Dental Clinic Fund, the final budgeted Dental Clinic Disbursements as reported exceeded the amount formally adopted and posted to the County's ledgers by \$22,500.

The following transactions were improperly posted for 2011:

- Prior Year Encumbrances were listed separately on the Budget and Actual Statements and also incorrectly included in the Beginning Fund Balances in the amounts of \$7,753 in the General Fund, \$3,110 in the Public Health Nursing Fund, \$969 in the Dental Sealant Fund, \$5,493 in the Public Health Infrastructure Fund, \$4,664 in the Sewage Disposal Fund and \$3,673 in the Southeastern Ohio Dental Clinic Fund.
- Outstanding Encumbrances at December 31, 2011 of \$9,721, \$1,539, \$5,455, \$672 and \$2,690 were not included as budgetary expenditures on the Budget and Actual Statements for the General Fund, Public Health Nursing Fund, Public Health Infrastructure Fund and the Sewage Disposal Fund, respectively.

These errors were due to a lack of management oversight. As a result, these significant adjustments and reclassifications, with which the Health District's management agrees, were made to the financial statements.

We recommend the Administrative Assistant take additional care in posting transactions to the District's ledgers in order to ensure the year-end financial statements reflect the appropriate sources of the District's receipts and expenditures.

Official's Response: The Health Department will adjust the line items to accurately reflect revenues and expenditures.

**DISTRICT BOARD OF HEALTH
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Significant Deficiency – The Health District had numerous posting errors to actual receipts and expenditures, as well as budgetary amounts.	No	Repeated as Finding 2011-04.
2009-002	Budgetary errors – approved appropriations and estimated revenue amounts were not properly reflected in the accounting system.	Yes	Corrected



Dave Yost • Auditor of State

WASHINGTON COUNTY DISTRICT BOARD OF HEALTH

WASHINGTON 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
DECEMBER 27, 2012