

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

RICHLAND COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2009

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Mansfield-Ontario-Richland County Board of Health, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

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

Mary Taylor, CPA
Auditor of State

July 28, 2010

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MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY, OHIO
Audit Report
For the year ended December 31, 2009

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1-2
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2009	3
Notes to the Financial Statements	4-10
Schedule of Federal Award Expenditures	11
Notes to the Schedule of Federal Award Expenditures	12
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards	13-14
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance In Accordance with OMB Circular A-133	15-16
Schedule of Findings and Questioned Costs	17-18
Schedule of Prior Audit Findings	19

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Health:

We have audited the accompanying financial statements of the Mansfield-Ontario-Richland County Board of Health, Richland County (the Board of Health), as of and for the year ended December 31, 2009. These financial statements are the responsibility of the Board of Health'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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Board of Health has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Board of Health to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2009. Instead of the combined funds the accompanying financial statements present for 2009, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2009. While the Board of Health does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Board of Health has elected not to reformat its statements. Since the Board of Health does not use GAAP to measure its financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Board of Health as of December 31, 2009, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Mansfield-Ontario-Richland County Board of Health, Richland County, Ohio, as of December 31, 2009 and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Board of Health to include Management's Discussion and Analysis for the year ended December 31, 2009. The Board of Health has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2010, on our consideration of the Board of Health'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. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Mansfield-Ontario-Richland County Board of Health's financial statements. The accompanying schedule of federal awards expenditures is presented for the purposes of additional analysis as 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 financial statements. Such information as been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
June 23, 2010

MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2009

	<u>Governmental Fund Types</u>		Total - (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$2,601,135	-	\$2,601,135
Fees, Licenses, and Permits	376,934	\$1,040,661	1,417,595
State Subsidy	371,391	-	371,391
Contractual Services-Local	214,851	519,975	734,826
Grants-State	-	79,573	79,573
Grants-Federal	-	1,509,204	1,509,204
Refunds	-	2,050	2,050
Miscellaneous	8,791	8,120	16,911
Total Cash Receipts	<u>3,573,102</u>	<u>3,159,583</u>	<u>6,732,685</u>
Cash Disbursements:			
Current:			
Salaries	1,496,973	2,311,887	3,808,860
Supplies	62,443	175,270	237,713
Building & Equipment Repairs	24,838	13,761	38,599
Contracts-Services	118,740	239,109	357,849
Travel & Training	36,376	58,585	94,961
Advertising & Printing	17,030	19,751	36,781
State Remittance	336	176,025	176,361
Legal Counsel	3,657	403	4,060
Vehicles	1,202	-	1,202
Audit	16,146	2,054	18,200
Utilities	45,440	36,123	81,563
Board Members' Expenses	4,502	400	4,902
Fringe Benefits & Payroll Taxes	544,191	826,131	1,370,322
Refunds	5,906	10,540	16,446
Other	60,476	14,170	74,646
Debt Service:			
Redemption of Principal	35,000	-	35,000
Interest and Fiscal Charges	7,675	-	7,675
Total Cash Disbursements	<u>2,480,931</u>	<u>3,884,209</u>	<u>6,365,140</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,092,171</u>	<u>(724,626)</u>	<u>367,545</u>
Other Financing Sources/(Uses):			
Transfers-In	-	1,021,313	1,021,313
Transfers-Out	(1,021,313)	-	(1,021,313)
Total Other Financing Sources/(Uses)	<u>(1,021,313)</u>	<u>1,021,313</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	<u>70,858</u>	<u>296,687</u>	<u>367,545</u>
Fund Balance, January 1, 2009	<u>2,975,696</u>	<u>522,313</u>	<u>3,498,009</u>
Fund Balance, December 31, 2009	<u>\$3,046,554</u>	<u>\$819,000</u>	<u>\$3,865,554</u>
Reserves for Encumbrances, December 31, 2009	<u>\$31,894</u>	<u>\$85,852</u>	<u>\$117,746</u>

See accompanying Notes to the Financial Statements.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Mansfield-Ontario-Richland County Board of Health, Mansfield-Ontario-Richland County, Ohio, (the Board of Health) 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. The Board of Health is directed by a 13 member Board and a 29 member Board of Health advisory board. The County Auditor and County Treasurer are responsible for the fiscal control of the resources of the Board of Health, which are maintained in the fund described below. The Board provides medical assistance and public health safety. Also, Women, Infants and Children's Program (WIC) (with its own director and advisory board) are under the auspices of the Board of Health.

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

B. BASIS OF ACCOUNTING

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.)

These statements include adequate disclosure of material matters, as prescribed by the Auditor of State.

C. CASH

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

D. FUND ACCOUNTING

The Board of Health uses fund accounting to segregate cash and investments that are restricted as to use. The Board of Health classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund of the Board of Health. It is used to account for all financial resources except those required to be accounted for in another fund.

MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY, OHIO

Notes To The Financial Statements
For the Year Ended December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. FUND ACCOUNTING - (continued)

2. Special Revenue Funds

To account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The Board of Health had the following significant Special Revenue Fund:

Women, Infants and Children (WIC) Fund – This is a Federal grant fund used to account for the Special Supplemental Nutrition Program.

E. BUDGETARY PROCESS

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

An appropriation measure is adopted by the Board of Health on or before the first Monday of April in each year for the period January 1 to December 31 of the following year. The appropriation measure is submitted to the County Auditor, who in turn, submits it to the County Budget Commission. The appropriation measure controls expenditures of the Board of Health. The Board of Health may, by resolution, transfer funds from one line item to another in the appropriation measure, reduce or increase any item, create new items, and make additional appropriations, subject to availability of funds and to the approval of the County Budget Commission. Richland County combines all the Board of Health's appropriations into one fund.

The Board of Health's legal level of control has been established at the object level.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered balances as of January 1.

3. Encumbrances

The Ohio Revised Code requires the Board of Health to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over into the subsequent year.

A summary of 2009 budgetary activity appears in Note 2.

F. PROPERTY, PLANT AND EQUIPMENT

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

G. ACCUMULATED LEAVE

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

2. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2009 is as follows:

2009 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 4,013,154	\$ 3,573,102	\$ (440,052)
Special Revenue	5,410,641	4,180,896	(1,229,745)
Total	\$ 9,423,795	\$ 7,753,998	\$ (1,669,797)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 4,724,636	\$ 3,534,138	\$ 1,190,498
Special Revenue	5,876,423	3,970,061	1,906,362
Total	\$ 10,601,059	\$ 7,504,199	\$ 3,096,860

3. PROPERTY TAXES

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

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

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

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

3. PROPERTY TAXES - (continued)

Tangible personal property tax receipts received in the current year (other than public utility property) represent the collection of the previous year's taxes. Tangible personal property taxes received in the current year were levied after October 1 of the previous year, on the true value as of December 31 of the previous year. The tangible personal property tax is being phased out. The assessment percentage for all property, including inventory, was zero for 2009.

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

4. RETIREMENT SYSTEM

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plans. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2009, OPERS members contributed 10% of their wages. The Board of Health contributed an amount equal to 14% of participants' gross salaries in the year. The Board of Health has paid all contributions required through December 31, 2009.

5. RISK POOL MEMBERSHIP

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

Casualty Insurance

For occurrences prior to January 1, 2006, PEP retains casualty risk up to \$250,000 per claim, including automobile loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in aggregate per year. Governments can elect additional coverage up to \$10,000,000, from General Reinsurance Corporation.

For occurrences on or after January 1, 2006, PEP retains casualty risk up to \$350,000 per claim, including automobile loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$350,000, up to \$2,650,000 per claim and \$10,000,000 in aggregate per year. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, from General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an annual aggregate of \$10,000,000.

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

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

5. RISK POOL MEMBERSHIP - (continued)

Property Insurance

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 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 members' total insurable value. 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. The aggregate loss limit for 2008 and 2007 were \$2,000,000 and \$2,014,547, respectively.

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

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>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Retained Earnings	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.7 million and \$15.9 of estimated incurred claims payable. The assets and retained earnings above 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. PEP will collect these amounts in the future annual premium billings when PEP's related liabilities are due for payment.

Based on discussion 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 each year of the membership.

Contributions to PEP

2007	\$15,173
2008	\$19,116
2009	\$18,248

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

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

5. RISK POOL MEMBERSHIP - (continued)

Members may withdraw in each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of their anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus subsequent year's premium. Also, upon withdrawal, payments of all property and casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year. The Board of Health also provides health insurance, dental, and vision coverage to full-time employees through a private carrier.

6. DEBT OBLIGATION

Debt outstanding at December 31, 2009, consisted of the following:

General Obligation Bonds:

Principal Outstanding	\$155,000
Interest Rates	3.5%

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

During 2009, the Board of Health paid principal and interest of \$42,675 on this debt, while the County paid an additional \$40,000 on behalf of the Board of Health. Richland County is required to pay principal and interest of \$40,000 each year for the life of the bond issue for a total of \$280,000.

The annual requirement to amortize all bonded debt outstanding as of December 31, 2009, including interest payments are as follows:

<u>Year Ending December 31</u>	<u>Total General Obligation Bonds</u>	<u>Board of Health Portion</u>	<u>County Portion</u>
2010	\$80,425	\$40,425	\$40,000
2011	<u>82,800</u>	<u>42,800</u>	<u>40,000</u>
Total	<u>\$163,225</u>	<u>\$83,225</u>	<u>\$80,000</u>

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

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

7. EQUITY IN POOLED CASH AND INVESTMENTS

The Richland County Auditor acts as the fiscal agent for the Board of Health. The Richland County Treasurer maintains a cash and investment pool used by all funds held by the County, including those of the Board of Health. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of cash on deposit with the fiscal agent at December 31, 2009 was \$3,865,554.

8. CONTINGENT LIABILITIES

The Board of Health may be a defendant in various lawsuits. Although, the outcome of the lawsuits is not presently determinable, in the opinion of legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Board of Health.

The Board of Health received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Board of Health at December 31, 2009.

9. TRANSFERS

The General Fund transferred levy funds to various special revenue funds to supplement normal operations upon approval of the Board.

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

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through the Ohio Department of Health</i>				
Special Supplement Food Program for Women, Infants and Children	10.557 "	07010011WA0310 07010011WA0209	\$ 171,552 <u>538,086</u>	\$ 172,310 <u>570,897</u>
Total U.S. Department of Agriculture			<u>709,638</u>	<u>743,207</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through the Ohio Department of Public Safety</i>				
State & Community Highway Safety Grant	20.600 "	SC-2009-70-00-00-00446 SC-2010-70-00-00-00355	26,183 <u>-</u>	23,188 <u>5,501</u>
Total U.S. Department of Transportation			<u>26,183</u>	<u>28,689</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through the Ohio District 5 Area Agency on Aging, Inc.</i>				
Special Programs for the Aging: Title III, Part D Disease Prevention and Health Promotion Services	93.043 "	SS09-003-3D SS08-003-3D	3,900 <u>4,326</u>	3,132 <u>4,146</u>
Total Special Programs for Aging: Title III, Part D			<u>8,226</u>	<u>7,278</u>
Special Programs for the Aging: Title III, Part B Grants for Supportive Services and Senior Centers	93.044 "	SS09-003-3B SS08-003-3B	3,267 <u>14,490</u>	179 <u>17,852</u>
Total Special Programs for Aging: Title III, Part B			<u>17,757</u>	<u>18,031</u>
Total Ohio District 5 Area Agency on Aging, Inc.			25,983	25,309
<i>Passed through the Ohio Department of Health</i>				
Immunization Action Grant	93.268 "	70-1-001-2-AZ-07 07010012IM0108	- <u>58,807</u>	2,115 <u>62,667</u>
Total Immunization Action Grant			<u>58,807</u>	<u>64,782</u>
Centers for Disease & Prevention PHEP PHER I PHER II PHER III	93.069 " " " "	07010012PI0209 07010012PH0110 07010012PH0110 07010012PH0110 07010012PH0110	94,558 63,038 156,998 20,620 <u>-</u>	86,641 44,060 51,825 4,615 <u>105,044</u>
Total Centers for Disease & Prevention			335,214	292,185
Breast & Cervical Cancer Early Detection Program-2009 Breast & Cervical Cancer Early Detection Program-2008	93.283 "	07010014BC0209 07010012BC0310	87,914 <u>54,174</u>	100,863 <u>73,118</u>
Total Breast and Cervical Cancer Early Detection Program			142,088	173,981
Maternal and Child Health Services Block Grant Maternal and Child Health Services Block Grant	93.994 "	07010011MC0310 07010011MC0209	42,633 <u>132,015</u>	77,958 <u>140,441</u>
Total Maternal and Child Health Services Block Grant to the States			174,648	218,399
<i>Passed through The City of Portsmouth, Ohio</i>				
HIV Prevention Activities-Health Department Based	93.940 "	2009 2008	27,482 <u>9,161</u>	44,049 <u>4,061</u>
Total HIV Prevention Activities-Health Department Based			<u>36,643</u>	<u>48,110</u>
Total U.S. Department of Health & Human Services			<u>773,383</u>	<u>822,766</u>
Total Federal Assistance			<u>\$ 1,509,204</u>	<u>\$ 1,594,662</u>

See accompanying notes to the schedule of federal awards expenditures

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

**Notes to the Schedule of Federal Award Expenditures
For the Year Ended December 31, 2009**

Note A - Significant Accounting Policies

The accompanying Schedule of Federal Award Expenditures is a summary of the activity of the Board of Health's federal awards programs. The schedule has been prepared on the cash basis of accounting.

Note B - Matching Requirement

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

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

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

To the Board of Health:

We have audited the financial statements of Mansfield-Ontario-Richland County Board of Health, Richland County, Ohio (the Board of Health) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 23, 2010, wherein we noted the Board of Health followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Board of Health'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 Board of Health's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Board of Health in a separate letter dated June 23, 2010.

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

Charles E. Harris and Associates, Inc.

June 23, 2010

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the Board of Health:

Compliance

We have audited the compliance of the Mansfield-Ontario-Richland County Board of Health, Richland County, Ohio (the Board of Health) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2009. The Board of Health's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Board of Health's management. Our responsibility is to express an opinion on the Board of Health's compliance based on our audit.

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

In our opinion, the Board of Health complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Board of Health is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Board of Health's internal control over compliance.

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

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

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

This report is intended for the information of the audit committee, the Board, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.

June 23, 2010

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY
December 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Block Grants Maternal & Child Health Service CFDA 93.994 Centers for Disease & Prevention Grant CFDA 93.069
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY
December 31, 2009

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH
RICHLAND COUNTY
DECEMBER 31, 2009**

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the year ending December 31, 2008, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

MANSFIELD-ONTARIO-RICHLAND COUNTY BOARD OF HEALTH

RICHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 10, 2010**