

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY  
Single Audit  
For Year Ended December 31, 2008**

*Perry & Associates*  
**Certified Public Accountants, A.C**





Mary Taylor, CPA  
Auditor of State

Members of the Board  
Clark County Combined Health District  
529 East Home Road  
Springfield, Ohio 45503

We have reviewed the *Independent Accountants' Report* of the Clark County Combined Health District, Clark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 23, 2009

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**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Managements Discussion and Analysis .....	3
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis December 31, 2008 .....	9
Statement of Activities – Cash Basis For the Year Ended December 31, 2008 .....	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds December 31, 2008 .....	11
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2008 .....	12
Statement of Cash Receipts, Disbursements, and Changes in Fund Balance Budget and Actual - Budget Basis - General Fund For the Year Ended December 31, 2008 .....	13
Statement of Cash Receipts, Disbursements, and Changes in Fund Balance Budget and Actual - Budget Basis - HMG/TANF Fund For the Year Ended December 31, 2008 .....	14
Notes to the Financial Statements .....	15
Schedule of Federal Awards Expenditures .....	24
Notes to the Schedule of Federal Awards Expenditures .....	25
Independent Accountants' Report on Internal Control Over Financial Reporting on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	26
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	28
Schedule of Findings - OMB Circular A -133 § .505 .....	30

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***Perry & Associates***  
Certified Public Accountants, A.C.

PARKERSBURG  
1035 Murdoch Avenue  
Parkersburg, WV 26101  
(304) 422-2203

MARIETTA  
428 Second Street  
Marietta, OH 45750  
(740) 373-0056

**INDEPENDENT ACCOUNTANTS' REPORT**

June 17, 2009

Clark County Combined Health District  
Clark County  
529 East Home Road  
Springfield, OH 45503

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Clark County Combined Health District**, (the District) as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express 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 opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of December 31, 2008 and the respective changes in the cash financial position and the respective budgetary comparison for the General Fund and HMG/TANF Fund thereof for the year ended in conformity with the basis of accounting Note 2 describes.

Clark County Combined Health District  
Clark County  
Independent Accountants' Report  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.



**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

This discussion and analysis of the Clark County Combined Health District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2008, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2008 are as follows:

Net assets from all governmental activities decreased by \$334,958 or 11.36 percent, a significant change predominantly due to the front-loaded ninety-nine (99) year lease payment of \$498,000 for the property at 529 East Home Road, Springfield, Ohio. The pursuant cash carryover in the Health Fund ended the year at \$1,796,283, down from \$2,106,038. The cash carryover is necessary over the next several years to ensure financial stability in 2010 when the first significant effects of the loss of Tangible Personal Property Tax are budgeted. In addition, \$300,000 of the carryover total is listed as the Health District Contingency Fund. The 11.36 percent decrease is the first decrease in net assets in many years.

The District created a new fund, the Capital Improvement Project Fund, during 2008. This fund receives and disburses money from the City of Springfield and Board of Health for capital projects such as the HVAC replacement and the new building addition, both of which will conclude in 2009.

The District's general receipts are primarily property taxes. Total receipts rose by 12.22 percent mostly due to the capital project monies received from the City of Springfield and disbursements rose by 23.47 percent mostly due to the capital disbursements and the lease payment. Property tax revenue including Tangible Personal Property Tax Reimbursement for 2008 increased 6.0 percent compared to 2007 due to the replacement levy collections.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Health District's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the district-wide and fund financial statements and provide expanded explanation and details regarding the information reported in the statements.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**Basis of Accounting**

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

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

**Reporting the District's as a Whole**

The Clark County Combined Health District is established to exercise the rights, privileges, and responsibilities conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an eight-member Board of Health that appoints a Health Commissioner as its Executive Officer. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, and the issuance of health-related licenses and permits. The District also acts upon various complaints made by the public concerning the health and welfare of the County.

The statement of net assets and the statement of activities reflect how the District did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's services, grants and contributions and charges for services restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in the cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating.

When evaluating the District's financial condition, you should also consider other non-financial factors as well, such as the District's property tax base, the extent of the District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue resources such as property taxes.

In the statement of net assets and the statement of activities, all District activities are reported as governmental. State and federal grants and property taxes finance most of these activities that are not necessarily paid for by the people receiving them.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**Reporting the District's Most Significant Funds**

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that restricted funds are being spent for the intended purpose.

All of the District's activities are reported in Governmental Funds. The Governmental Fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant Governmental Funds are presented on the financial statements in separate columns.

The information for non-major funds (funds whose activity or balance are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major Governmental Funds are the General Fund and the HMG/TANF Grant Fund. The programs reported in Governmental Funds are closely related to those reported in the Governmental Activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2007 compared to 2006 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities	
	2008	2007
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$2,613,789	\$2,948,747
Total Assets	\$2,613,789	\$2,948,747
 <b>Net Assets</b>		
Restricted for:		
Other Purposes	1,027,638	842,709
Unrestricted	1,586,151	2,106,038
Total Net Assets	\$2,613,789	\$2,948,747

As mentioned previously, net assets of all governmental activities decreased \$334,958 or 11.36 percent during 2008. The primary reasons contributing to the decrease in cash balances are as follows:

- Front-loaded lease payment of \$498,000.
- Revenues were down in the environmental programs.
- Several special revenue funds experienced decreases in the cash balances due to the difficult budget situations.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**The District as a Whole (Continued)**

Table 2 reflects the changes in net assets during 2008 compared to 2007 on a cash basis.

**(Table 2)  
Changes in Net Assets**

<b>Receipts:</b>	<b>2008</b>	<b>2007</b>
<i>Program receipts:</i>		
Fee for Services	\$ 1,154,564	\$ 1,199,588
Operating Grants	2,375,529	1,854,791
Contracts for Services	159,615	159,615
<i>Total Program Receipts</i>	<u>3,689,708</u>	<u>3,213,994</u>
<i>General Receipts:</i>		
Property and Other Local Taxes and Intergovernmental	2,313,858	2,182,971
State Subsidy/Contract with New Carlisle	153,874	51,777
Miscellaneous	55,027	87,314
<i>Total General Receipts</i>	<u>2,522,759</u>	<u>2,322,062</u>
<b>Total Receipts</b>	<b><u>6,212,467</u></b>	<b><u>5,536,056</u></b>
<b>Disbursements:</b>		
Public Health Services	6,035,483	5,302,721
Capital Outlay	511,942	-
<b>Total Disbursements</b>	<b><u>6,547,425</u></b>	<b><u>5,302,721</u></b>
Increase in Net Assets	(334,958)	233,335
Net Assets, January 1	2,948,747	2,715,412
Net Assets, December 31	<u>\$ 2,613,789</u>	<u>\$ 2,948,747</u>

Program receipts represent 59.39 percent of total receipts and are primarily comprised of state and federal grants.

General receipts represent 40.61 percent of the District's total receipts, and of this amount, over 91 percent are local taxes. Other receipts are very insignificant and somewhat unpredictable revenue sources.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**The District as a Whole (Continued)**

Disbursements for the Health District represent the overhead costs of running the District and the support services provided for the other District activities. These include primarily the costs of personnel and personnel support, as the primary product of the District is preventive health services which are labor-intensive.

Capital equipment outlay signifies the disbursements for equipment for use in administering the District's services. The District began an ongoing computer/technology modernization program in 2008. This effort annually applies \$25,000 to the need for ongoing modernization of computer networking, hardware, software and communication equipment.

**Governmental Activities**

If you look at the Statement of Activities-Cash Basis, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. All of the major program disbursements for governmental activities are for Public Health services. The next column of the Statement entitled Program Receipts identifies amounts paid by people who are directly charged for the service as well as grants received by the District that must be used to provide a specific service.

The Net Cost (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service that ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts that are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)  
Governmental Activities**

	Total Cost of Services 2008	Program Receipts 2008	Net Cost of Services 2008	Total Cost of Services 2007	Program Receipts 2007	Net Cost of Services 2007
Public Health Services	\$6,035,483	\$3,189,708	\$2,345,775	\$5,302,721	\$3,213,994	\$2,088,727
Total Expenses	\$6,547,425	\$3,689,708	\$2,857,717	\$5,302,721	\$3,213,994	\$2,088,727

**The District's Funds**

Total Governmental funds had receipts of \$6,212,467 and disbursements of \$6,547,425. The greatest change within Governmental funds occurred within the General Fund, the balance of which decreased \$209,755 as the result of the lease payment.

Receipts were more than disbursements in only 2 of the 10 non-grant funds. This is the same as the previous year. The Environmental Services fund is subsidized heavily by local tax receipts and raising fees high enough to completely cover the costs is not feasible in the foreseeable future. All of the funds began and ended 2008 with positive cash balances.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**General Fund Budgeting Highlights**

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

During 2008, the District amended its General and Special Revenue fund budgets to reflect changing circumstances. The increase of Public Health Infrastructure monies for Pandemic Influenza required an Amended Certificate of Estimated Revenue.

General Fund disbursements were originally budgeted at \$2,631,079, amended to \$3,120,061 and actual disbursements were \$3,092,747. Receipts were initially budgeted at \$3,064,603, amended to \$3,097,441 and actual receipts were \$3,099,711. The reduction in funds (actual receipts minus actual disbursements) was \$363,036 which will slowly be replenished over the next few years.

Transfers from the General Fund to help operate the Environmental Funds continue to be in excess of \$250,000 per year.

**Current Issues**

The challenge for all Health Districts is to provide high quality preventive health services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and the county's industry is now in the early stages of recovering from a downturn in the past few years. With the passage of a replacement levy for operating expenses coupled with a downturn in Tangible Personal Property Tax revenue projected beginning in 2010 and beyond, we can predict fairly flat to slightly declining total dollar amount in local tax receipts in the next six years. With these resources, along with conservative spending, the District can continue its slow rate of financial growth and can be assured that basic service provision can continue even with shrinkage of grant funding.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers and providers with a general overview of the Health District's finances and to reflect the Health District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Charles Patterson, Health Commissioner, Clark County Combined Health District, 529 East Home Road, Springfield, Ohio 45503.

**Clark County Combined Health District**

*Statement of Net Assets - Cash Basis*

*December 31, 2008*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,613,789</u>
<i>Total Assets</i>	<u><u>2,613,789</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	1,027,638
Unrestricted	<u>1,586,151</u>
<i>Total Net Assets</i>	<u><u>\$ 2,613,789</u></u>

See accompanying notes to the basic financial statements

**Clark County Combined Health District**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2008

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Contract For Services	Primary Government Governmental Activities
<b>Governmental Activities</b>					
Environmental Health					
Food Service Fund	\$ 221,717	\$ 189,826	\$ -	\$ -	\$ (31,891)
Solid Waste Fund	128,159	-	-	100,000	(28,159)
Plumbing Fund	178,065	165,770	-	-	(12,295)
Environmental Services Fund	135,998	1,806	-	-	(134,192)
Water System Fund	98,645	48,754	-	-	(49,891)
CD&D Fund	85,960	75,676	-	-	(10,284)
Other Environmental Health Funds	189,652	95,780	-	-	(93,872)
Capital Improvement Projects	511,942	-	500,000	-	(11,942)
Grant Programs					
Help Me Grow	591,169	-	573,676	-	(17,493)
Child and Family Health Services	-	-	-	-	-
Public Health Infrastructure	182,314	-	206,336	5,500	29,522
Tobacco Use Grant	32,931	-	6,000	-	(26,931)
Early Start Grant	213,331	-	210,990	-	(2,341)
OIMRI Grant	268,840	-	291,293	-	22,453
Other Grants	669,233	-	587,234	54,115	(27,884)
Immunizations	135,653	300,992	-	-	165,339
Vital Statistics	152,450	275,960	-	-	123,510
Administration	1,727,914	-	-	-	(1,727,914)
Building Lease Payments	498,000	-	-	-	(498,000)
Other Health Expenditures	525,452	-	-	-	(525,452)
<i>Total Governmental Activities</i>	<u>\$ 6,547,425</u>	<u>\$ 1,154,564</u>	<u>\$ 2,375,529</u>	<u>\$ 159,615</u>	<u>\$ (2,857,717)</u>
<b>General Receipts</b>					
Property Taxes Levied				\$	1,908,666
Intergovernmental Receipts for General Health District Purposes					405,192
State Subsidy/contract with New Carlisle					55,027
Miscellaneous					153,874
<i>Total General Receipts</i>					<u>2,522,759</u>
Change in Net Assets					<u>(334,958)</u>
<i>Net Assets Beginning of Year</i>					<u>2,948,747</u>
<i>Net Assets End of Year</i>				\$	<u>2,613,789</u>

See accompanying notes to the basic financial statements



**Clark County Combined Health District**  
*Statement of Cash Basis Assets and Fund Balances*  
 Governmental Funds  
 December 31, 2008

	General	HMG/TANF Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,796,283	\$ 31,977	\$ 785,529	\$ 2,613,789
<i>Total Assets</i>	<u>1,796,283</u>	<u>31,977</u>	<u>785,529</u>	<u>2,613,789</u>
<b>Fund Balances</b>				
Reserved:				
Reserved for Encumbrances	53,282	2,119	103,709	159,110
Unreserved:				
General Fund	1,743,001	-	-	1,743,001
Special Revenue Funds	-	29,858	681,820	711,678
<i>Total Fund Balances</i>	<u>\$ 1,796,283</u>	<u>\$ 31,977</u>	<u>\$ 785,529</u>	<u>\$ 2,613,789</u>

See accompanying notes to the basic financial statements

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

	General	HMG/TANF Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
State Funds	\$ 460,219	\$ -	\$ 720	\$ 460,939
Tax Levies	1,908,666	-	-	1,908,666
License Fees	-	-	272,208	272,208
Nursing Fees	300,992	-	-	300,992
Vital Statistics Fees	275,960	-	-	275,960
Contractual Services	-	-	173,000	173,000
Medicaid	58,774	-	8,404	67,178
Other Receipts	3,201	-	800	4,001
Reimbursements	90,579	-	-	90,579
Grants	-	573,676	1,243,852	1,817,528
Income and Fees	1,320	-	36,213	37,533
Fees/Fines/Permits	-	-	303,883	303,883
Local Match	-	-	500,000	500,000
<i>Total Receipts</i>	<u>3,099,711</u>	<u>573,676</u>	<u>2,539,080</u>	<u>6,212,467</u>
<b>Disbursements</b>				
Current:				
Salaries - Employees	1,237,464	283,072	1,130,370	2,650,906
PERS	182,158	39,608	157,665	379,431
Supplies	201,356	4,447	9,449	215,252
Unemployment	-	-	-	-
Equipment	5,773	-	20,160	25,933
Contract Services/Repair	41,144	120,000	352,620	513,764
Contract Services/Other	170,089	-	541,665	711,754
Travel & Expenses	29,976	8,615	34,883	73,474
Advertising & Printing	7,133	-	805	7,938
Health Insurance	259,625	77,723	303,524	640,872
Workers Compensation & DWR	26,578	4,943	25,163	56,684
Medicare	16,372	3,604	15,858	35,834
Dental	5,150	941	5,599	11,690
Life Insurance	567	133	600	1,300
Vital Statistics	152,450	-	-	152,450
Maintenance	136,210	-	155,140	291,350
Utilities	65,070	5,158	-	70,228
Market & PR	1,472	-	-	1,472
Lactation	2,779	-	-	2,779
Remittance-State	-	-	94,257	94,257
Other Expense	100	12,925	-	13,025
Wraparound	-	30,000	10,329	40,329
Admin Costs	-	-	-	-
Returned Grant Funds	-	-	-	-
Reimbursement	-	-	58,703	58,703
Vehicle Purchase	-	-	-	-
Building Lease Payments	498,000	-	-	498,000
<i>Total Disbursements</i>	<u>3,039,466</u>	<u>591,169</u>	<u>2,916,790</u>	<u>6,547,425</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>60,245</u>	<u>(17,493)</u>	<u>(377,710)</u>	<u>(334,958)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	365,000	365,000
Transfers Out	(365,000)	-	-	(365,000)
Advances In	-	-	5,000	5,000
Advances Out	(5,000)	-	-	(5,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(370,000)</u>	<u>-</u>	<u>370,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(309,755)</u>	<u>(17,493)</u>	<u>(7,710)</u>	<u>(334,958)</u>
<i>Fund Balances Beginning of Year</i>	<u>2,106,038</u>	<u>49,470</u>	<u>793,239</u>	<u>2,948,747</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,796,283</u>	<u>\$ 31,977</u>	<u>\$ 785,529</u>	<u>\$ 2,613,789</u>

See accompanying notes to the basic financial statements

**Clark County Combined Health District**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
State Funds	\$ 372,776	\$ 446,937	\$ 460,219	\$ 13,282
Taxes	2,006,827	1,930,504	1,908,666	(21,838)
Nursing Fees	290,000	290,000	300,992	10,992
Vital Statistic Fees	310,000	275,000	275,960	960
Medicaid	25,000	55,000	58,774	3,774
Other Receipts	5,000	5,000	4,521	(479)
Reimbursements	55,000	95,000	90,579	(4,421)
<i>Total Receipts</i>	<u>3,064,603</u>	<u>3,097,441</u>	<u>3,099,711</u>	<u>2,270</u>
<b>Disbursements</b>				
Salaries	1,222,305	1,243,328	1,237,464	5,864
PERS	180,204	182,585	182,158	427
Supplies	278,175	230,000	220,958	9,042
Unemployment	20,000	-	-	-
Equipment	35,000	19,000	5,773	13,227
Contract Services/Other	141,000	176,000	170,089	5,911
Contract Services/Repair	43,900	43,900	47,867	(3,967)
Travel & Expenses	33,250	34,759	31,887	2,872
Advertising and Printing	10,000	10,000	7,133	2,867
Health Insurance	254,477	259,625	259,625	-
Worker's Compensation	31,646	26,578	26,578	-
Medicare	17,083	17,083	16,372	711
Dental Insurance	4,857	5,159	5,149	10
Life Insurance	582	592	567	25
Vital Statistics	172,500	172,500	174,175	(1,675)
Maintenance	110,000	110,000	139,531	(29,531)
Utilities	55,100	70,100	65,070	5,030
Marketing and PR	5,000	10,000	1,472	8,528
Capital Improvement	10,000	4,852	-	4,852
Building Lease Payments	-	498,000	498,000	-
Other-Bid Reimbursement	-	1,000	100	900
Lactation	6,000	5,000	2,779	2,221
<i>Total Disbursements</i>	<u>2,631,079</u>	<u>3,120,061</u>	<u>3,092,747</u>	<u>27,314</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>433,524</u>	<u>(22,620)</u>	<u>6,964</u>	<u>29,584</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(396,000)	(371,000)	(365,000)	6,000
Advances In	-	-	-	-
Advances Out	(20,000)	(5,000)	(5,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(416,000)</u>	<u>(376,000)</u>	<u>(370,000)</u>	<u>6,000</u>
<i>Net Change in Fund Balance</i>	17,524	(398,620)	(363,036)	35,584
<i>Prior Year Encumbrances Appropriated</i>	97,666	97,666	97,666	-
<i>Fund Balance Beginning of Year</i>	<u>2,106,038</u>	<u>2,106,038</u>	<u>2,008,373</u>	<u>(97,665)</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,221,228</u>	<u>\$ 1,805,084</u>	<u>\$ 1,743,003</u>	<u>\$ (62,081)</u>

See accompanying notes to the basic financial statements

**Clark County Combined Health District**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*HMG/TANF Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Grants	\$ 489,825	\$ 568,006	\$ 573,676	\$ 5,670
Other	-	-	-	-
<i>Total receipts</i>	<u>489,825</u>	<u>568,006</u>	<u>573,676</u>	<u>5,670</u>
<b>Disbursements</b>				
Salaries	245,596	283,072	283,072	-
PERS	34,384	39,630	39,608	22
Contract Services/Repair	95,000	120,000	120,000	-
Travel & Expenses	6,000	6,000	9,000	(3,000)
Health Insurance	63,756	77,723	77,723	-
Worker's Compensation	6,147	4,943	4,943	-
Medicare	3,561	4,104	3,604	500
Dental Insurance	846	941	941	-
Life Insurance	103	133	133	-
Utilities	5,000	5,000	5,828	(828)
Wraparound	10,000	10,000	12,925	(2,925)
Office Supplies	4,607	4,607	5,511	(904)
Administrative Costs	20,000	20,000	30,000	(10,000)
<i>Total Disbursements</i>	<u>495,000</u>	<u>576,153</u>	<u>593,288</u>	<u>(17,135)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,175)</u>	<u>(8,147)</u>	<u>(19,612)</u>	<u>(11,465)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	5,175	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>5,175</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	-	(8,147)	(19,612)	(11,465)
<i>Prior Year Encumbrances Appropriated</i>	19,850	19,850	19,850	-
<i>Fund Balance Beginning of Year</i>	<u>49,470</u>	<u>49,470</u>	<u>49,470</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 69,320</u>	<u>\$ 61,173</u>	<u>\$ 49,708</u>	<u>\$ (11,465)</u>

See accompanying notes to the basic financial statements

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Clark County Combined Health District, (the District) as a body corporate and politic.

An eight-member Board and a Health Commissioner govern the District. Services provided by the District include: prevention and control of diseases, sanitation, vital statistics, abatement and removal of nuisances, and air pollution control.

The District's management believes this financial statement presents all activities for which the District is financially responsible.

A reporting entity is comprised of the primary government, component units and other organizations ensuring that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For acceptable OCBOA, this includes general operations, immunization, vital statistics, health related licenses and permits, disease prevention and control, and public health nursing.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from the 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 District-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

**A. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self balancing set of accounts. The District classifies each fund as either governmental, proprietary or fiduciary. The District does not have any proprietary or fiduciary funds.

**Governmental Funds** - The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the District's major governmental funds:

**General Fund** - The general fund accounts for all financial resources except for restricted resources requiring a separate accounting. The general fund balance is available for any purpose provided it is disbursed or transferred according to Ohio law.

**Special Revenue Funds** - The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose. The District has the following major Special Revenue Fund:

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**A. Fund Accounting (Continued)**

**HMG/TANF Funds** – This fund receives Federal grant money used to provide services to the Help Me Grow system in Clark County. These funds are predominantly for early childhood issues including early detection and intervention.

**B. Basis of Presentation**

The District's basic financial statements consist of government-wide 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 District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or part by fees charged to external parties for goods or services. The District has no business-type activities.

The statement of net assets presents the cash balances of the governmental activities of the District at year end. The government-wide statement of activities compares disbursements with program receipts for each function or program of the 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 government is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the District's general receipts.

**Fund Financial Statements:** During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate non-major funds in a single column.

**C. Basis of Accounting**

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

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

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**D. Cash**

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The County's cash and investment pool holds the District's assets, valued at the County Treasurer's reported carrying amount.

**E. Inventory and Prepaid Items**

On the cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

**F. Restricted Assets**

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

**G. Capital Assets**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The financial statements do not report these items as assets.

**H. Compensated Absences**

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 District's cash basis of accounting.

**I. Fund Balance Reserves**

The District reserves those portions of fund equity legally segregated for a specific future use or which are not available for appropriation or disbursement. The District has reserved fund equity for encumbrances.

**J. Interfund Activity**

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Non-exchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

**K. Budgetary Data**

The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts the Board may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The District uses the object level within each fund and function as its legal level of control.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**K. Budgetary Data (continued)**

The certificate of estimated resources may be amended during the year if the District projects increases or decreases in receipts. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the Board adopted the original appropriations. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for a fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the year.

Budget versus actual statements for major funds are presented as part of the financial statements.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include programs mandated by the Ohio Revised Code and grants awarded by the Ohio Department of Health or other agencies. The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**Note 3 – Budgetary Basis of Accounting**

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

	General Fund	HMG/TANF Fund
Budgetary Basis	\$1,743,003	\$49,708
Net Adjustment for Encumbrances	<u>53,280</u>	<u>2,119</u>
Cash Basis	<u>\$1,796,283</u>	<u>\$31,977</u>



**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008  
(Continued)**

**Note 4 – Property Taxes**

The County Commissioners serve as a special taxing authority to levy a special levy outside the property tax ten-mill limitation to provide the District with sufficient funds to carry out health programs and general operations. The County Commissioners placed a countywide (except The City of New Carlisle) levy of 1.0 mill on the ballot in 2001 and gained approval by the electors of the county. This levy is for a period of five years and collections continue through 2007. The County Commissioners also authorized the placement of a 1.0 mill replacement levy on the November 2006 ballot. The voters passed the replacement levy to begin collections in 2008 and continue through 2012.

**Note 5 – Interfund Transfers and Advances**

Interfund transfers and advances for the year ended December 31, 2008, were as follows:

Transfers from the General Fund to:	
Other Governmental Funds	\$ 365,000
Total Transfers from the General Fund	<u>\$ 365,000</u>
Advances from the General Fund to:	
Major Governmental Fund	\$ -
Other Governmental Funds	\$ 5,000
Total Transfers from the General Fund	<u>\$ 5,000</u>

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The advances were used to move funds to grant program funds that will be paid back at the start of 2009.

**Note 6 – Risk Management**

**Risk Pool Membership**

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

**Coverage limits** - The District has coverage for a variety of instances through PEP. Highlights of the coverage include \$4,000,000 for automobile liability, \$4,000,000 for medical malpractice and \$4,000,000 for Public Health Department liability.

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

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008  
(Continued)**

**Note 6- Risk Management (Continued)**

**Casualty Coverage-** PEP retains up to \$250,000 per claim, including loss adjustment expenses. PEP makes an annual contribution to APEEP. APEEP reinsures casualty claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. If losses exhaust PEP's net assets, APEEP covers PEP's retained casualty risk up to \$10,000,000 per year, subject to a per-claim limit of \$2,000,000. Local political subdivisions can elect additional coverage, up to a total limit of \$12,000,000 from the General Reinsurance Corporation.

**Property Coverage-** This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses 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 values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

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

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

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

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately \$15.0 million and \$14.4 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$110,023. This payable includes the subsequent year's contribution due if the Government terminates participation, as described in the last paragraph below.

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

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008  
(Continued)**

**Note 6- Risk Management (Continued)**

**Financial Position (Continued)**

<u>Contributions to PEP</u>	
2006	\$62,635
2007	\$59,159
2008	\$55,012

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

**County Commissioner Association of Ohio Workers' Compensation Group Rating Plan**

For 2008, the District, through the County of Clark as their fiscal agent, participated in the County/Commissioners Association of Ohio Workers' Compensation Group Rating Plan ("the GRP"), an insurance purchasing pool.

The intent of the GRP is to achieve a reduced premium for the District by virtue of its grouping with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than the individual rate.

The GRP then calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from, or pays rate equalization rebates to the various participants. Participation in the plan is limited to counties that can meet the Plans' selection criteria.

**Employee Medical Benefits**

The District participates in a health insurance plan through Anthem available for all fulltime employees. The fully insured plan includes health, mental health and prescription benefits.

The cost of the program for 2008 was \$640,872 compared to \$553,806 in 2007. This shows a 15.72 percent increase in one year. The increase is due to the overall 8.26 percent increase by the carrier and multiple increased plan changes by staff members including two additional personnel that were eligible for coverage.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008  
(Continued)**

**Note 6- Risk Management (Continued)**

**Employee Medical Benefits (Continued)**

The District also participates in group dental plans with MCA and Superior.

The total cost for the combined programs was \$11,690 for 2008 and \$11,516 for 2007. This indicates a 1.5 percent increase.

**Note 7- Ohio Public Employees Retirement System (OPERS)**

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand alone financial report that may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2008, members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The District's contribution rate for pension benefits for 2008 was 14.0 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contribution for pension obligations to the traditional, combined, and member directed plans for the years ended December 31, 2008, 2007, 2006 were \$379,431, \$356,044 and \$341,556, respectively. The 6.57% increase is attributed to raises (3.5% average), the increase of the employer contribution, additional employees paid by grants, and two additional employees.

**Note 8- Postemployment Benefits**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008  
(Continued)**

**Note 8- Postemployment Benefits (Continued)**

The health care coverage provided by the retirement system is considered an Other Post employment Benefit (OPB) as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2008 employer contribution rate was 14.0 percent of covered payroll and 7.0 percent was the portion used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between 0.50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 percent to 4 percent annually for the next 7 years. In subsequent years, (8 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate). All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

On September 9, 2004, OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

**Note 9 – Contingent Liabilities**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**Note 10 – Contractual Obligations**

The District is a party to a multi-year lease for rental of office space. This new lease was initiated April 28, 2008 and is a ninety-nine (99) year lease for \$500,000. This lease required the District to pay \$498,000 in year one and \$1,000 per year for the following two years. All utilities and other costs are the responsibility of the Combined Health District.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

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

Federal Grantor/Pass-Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Disbursements
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed through the Ohio Department of Health</i>			
Childhood Lead Poisoning Prevention Grant	1210011LD0108	93.197	\$ 38,376
	1210011LD0209		<u>25,137</u>
Total Childhood Lead Poisoning Prevention Grant			63,513
Immunization Action Plan Grant	1210012AZ07	93.268	195
	1210012IM0108		<u>79,602</u>
Total Immunization Action Plan Grant			79,797
Public Health Infrastructure Grant	1210012PI0108	93.283	123,657
	1210012PI0209		<u>58,657</u>
Total Public Health Infrastructure Grant			182,314
Ohio Infant Mortality Reduction Initiative Grant	1210011MC0108	93.994	145,808
	1210011MC0209		<u>123,032</u>
Total Ohio Infant Mortality Reduction Initiative Grant			268,840
<b>Total United States Department of Health and Human Services</b>			<b>594,464</b>
<b>UNITED STATES DEPARTMENT OF PUBLIC SAFETY</b>			
<i>Passed through the Ohio Department of Public Safety</i>			
Safe Communities Grant	SC-2008-12-00-00-00272-00	20.600	<u>32,142</u>
<b>Total United States Department of Public Safety</b>			<b>32,142</b>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 626,606</u></b>

*The accompanying Notes to the Schedule of Federal Awards Expenditures are an integral part of this schedule.*

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

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

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*.

**NOTE B – MATCHING REQUIREMENTS**

Certain federal programs require that the District contribute non-federal funds (matching funds) to support the federally funded programs. The District has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.

***Perry & Associates***  
**Certified Public Accountants, A.C.**

PARKERSBURG  
1035 Murdoch Avenue  
Parkersburg, WV 26101  
(304) 422-2203

MARIETTA  
428 Second Street  
Marietta, OH 45750  
(740) 373-0056

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

June 17, 2009

Clark County Combined Health District  
Clark County  
529 East Home Road  
Springfield, OH 45503

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Clark County Combined Health District** (the District) as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 17, 2009, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. 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 District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

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



### **Internal Control Over Financial Reporting (Continued)**

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

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standard*.

We did note a certain noncompliance or other matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 17, 2009.

This report is intended solely for the information and use of management, Board of Health, 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.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

***Perry & Associates***  
**Certified Public Accountants, A.C.**

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

June 17, 2009

Clark County Combined Health District  
Clark County  
529 East Home Road  
Springfield, OH 45503

To the Board of Health:

We have audited the compliance of the **Clark County Combined Health District** (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement, that apply to its major federal program for the year ended December 31, 2008. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Clark County Combined Health District, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008.

### **Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. Accordingly, we do not express an opinion on the effectiveness of the District'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 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 District's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-consequential noncompliance with a federal program compliance requirement.

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

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

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

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**CLARK COUNTY COMBINED HEALTH DISTRICT  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2008**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material significant deficiencies reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Maternal and Child Health Services CFDA # 93.994
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None



**Mary Taylor, CPA**  
Auditor of State

**CLARK COUNTY COMBINED HEALTH DISTRICT**

**CLARK 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  
JULY 7, 2009**