

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY
Single Audit
For Year Ended December 31, 2009**

Perry & Associates
Certified Public Accountants, A.C



Mary Taylor, CPA
Auditor of State

Board of Health
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, 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.

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

September 28, 2010

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**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

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Perry & Associates
Certified Public Accountants, A.C.

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INDEPENDENT ACCOUNTANTS' REPORT

July 30, 2010

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, 2009, 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, 2009 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2010, 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, 2009
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, 2009, 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 2009 are as follows:

Net assets from all governmental activities decreased by \$239,750 or 9.1 percent, a significant change predominantly due to the \$300,000 of capital improvement monies from the City of Springfield spent on the new HVAC system and building addition. The pursuant cash carryover in the Health Fund ended the year at \$1,329,406 down from \$1,496,283. The cash carryover decrease is primarily due to the unexpected transfer to the H1N1 grant fund (to be repaid in 2010) and the extra OPERS expense in the Early Retirement Incentive program. The cash carryover is necessary over the next several years to ensure financial stability in 2011 when the first significant effects of the loss of Tangible Personal Property Tax are budgeted. In addition, \$320,000 is available to the Board of Health to expense as the Health District Contingency Fund. The 9.1 percent decrease should be reversed in the next year.

The District spent the predominance of the new fund, the Capital Improvement Project Fund, during 2009. This fund received and disbursed 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 concluded in 2009.

The District's general receipts are primarily property taxes. Total receipts declined by 3.97 percent mostly due to the capital project monies received from the City of Springfield in 2008 and disbursements declined by 5.22 percent mostly due to the capital disbursements in 2008. Property tax revenue including Tangible Personal Property Tax Reimbursement (Intergovernmental Receipts) for 2009 held steady with an increase of 2.39 percent compared to 2008.

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, 2009
UNAUDITED**

Using the Basic Financial Statements (Continued)

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 Health District 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 2009, 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 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 (trend is in decline due to the housing crisis), the extent of the District's debt obligations (the District currently has no 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 and 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, 2009
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 Funds 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. We describe the relationship in reconciliations presented with the Governmental Fund Financial Statements.

The District as a Whole

Table 1 provides a summary of the District’s net assets for 2009 compared to 2008 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2009	2008
Assets		
Cash and Cash Equivalents	\$2,374,039	\$2,613,789
Total Assets	\$2,374,039	\$2,613,789
Net Assets		
Restricted for:		
Other Purposes	1,044,630	1,027,638
Unrestricted	1,329,409	1,586,154
Total Net Assets	\$2,374,039	\$2,613,789

As mentioned previously, net assets of all governmental activities decreased \$239,750 or 9.1 percent during 2009. The primary reasons contributing to the decrease in cash balances are as follows:

- Use of Capital Funds from City of Springfield for HVAC and new building addition.
- Advance to Public Health Emergency Response fund due to H1N1.
- Several grant funds saw lower balances due to later reimbursements from grantors.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

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

The District as a Whole (Continued)

Table 2 reflects the changes of net assets during 2009 compared to 2008 on a cash basis.

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

Receipts:	2009	2008
<i>Program receipts:</i>		
Fee for Services	\$ 1,229,084	\$ 1,154,564
Operating Grants	\$ 1,217,033	\$ 2,375,529
Contracts for Services	\$ 1,051,156	\$ 159,615
	<hr/>	<hr/>
<i>Total Program Receipts</i>	<i>\$ 3,497,273</i>	<i>\$ 3,689,708</i>
<i>General Receipts:</i>		
Property and Other Local Taxes	\$ 2,324,761	\$ 2,313,858
Miscellaneous	\$ 97,197	\$ 153,874
State Subsidy	\$ 46,498	\$ 55,027
	<hr/>	<hr/>
<i>Total General Receipts</i>	<i>\$ 2,468,456</i>	<i>\$ 2,522,759</i>
Total Receipts	\$ 5,965,729	\$ 6,212,467
Disbursements:		
Public Health Services	\$ 5,868,094	\$ 6,035,483
Capital Outlay	\$ 337,385	\$ 511,942
	<hr/>	<hr/>
Total Disbursements	\$ 6,205,479	\$ 6,547,425
Increase (decrease) in Net Assets	\$ (239,750)	\$ (334,958)
Net Assets, January 1	\$ 2,613,789	\$ 2,948,747
	<hr/>	<hr/>
Net Assets, December 31	\$ 2,374,039	\$ 2,613,789
	<hr/>	<hr/>

Program receipts represent 58.62 percent of total receipts and are primarily comprised of state and federal grants and contracts.

General receipts represent 41.38 percent of the District's total receipts, and of this amount, over 96 percent are local taxes and intergovernmental receipts. 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, 2009
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 2007. 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, 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 2009	Program Receipts 2009	Net Cost of Services 2009	Total Cost of Services 2008	Program Receipts 2008	Net Cost of Services 2008
Public Health Services	\$5,868,094	\$3,247,273	\$2,620,821	\$6,035,483	\$3,189,708	\$2,345,775
Total Expenses	\$6,205,479	\$3,497,273	\$2,708,206	\$6,547,425	\$3,689,708	\$2,857,717

The District's Funds

Total Governmental funds had receipts of \$5,965,729 and disbursements of \$6,205,479. The greatest change within Governmental funds occurred within the General Fund, the balance of which decreased \$146,877 mostly as the result of the advance for the Public Health Emergency Response grant due to H1N1.

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 2009 with positive cash balances.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
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 2009, the District amended its General and Special Revenue fund budgets to reflect changing circumstances. The advent of Public Health Emergency Response monies for H1N1 Influenza required an Amended Certificate of Estimated Revenue.

General Fund disbursements were originally budgeted at \$2,845,406, amended to \$2,931,209 and actual disbursements were \$2,962,467. Receipts were initially budgeted at \$3,028,600, amended to \$3,074,581 and actual receipts were \$3,079,003. The increase in funds (actual receipts minus actual disbursements) was \$281,123 all of which was transferred to other funds.

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 2011 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, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,374,039</u>
<i>Total Assets</i>	<u><u>2,374,039</u></u>
Net Assets	
Restricted for:	
Other Purposes	1,044,630
Unrestricted	<u>1,329,409</u>
<i>Total Net Assets</i>	<u><u>\$ 2,374,039</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, 2009

	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
Governmental Activities					
Environmental Health					
Food Service Fund	\$ 219,707	\$ 234,710	\$ -	\$ -	\$ 15,003
Solid Waste Fund	124,037	-	-	135,300	11,263
Plumbing Fund	193,429	163,010	-	-	(30,419)
Environmental Services Fund	54,068	10,596	-	-	(43,472)
Sewage Treatment	213,210	42,308	-	-	(170,902)
Water System Fund	96,761	56,574	-	-	(40,187)
CD&D Fund	64,421	65,525	-	-	1,104
Other Environmental Health Funds	30,557	27,815	-	-	(2,742)
Capital Improvement Projects	337,385	-	250,000	-	(87,385)
Grant Programs					
Help Me Grow	466,287	-	-	438,176	(28,111)
Child and Family Health Services/OMIRI	239,786	-	218,133	-	(21,653)
Public Health Infrastructure	384,082	-	328,535	11,000	(44,547)
Other Grants	790,306	-	420,365	466,680	96,739
Immunizations	100,681	358,073	-	-	257,392
Vital Statistics	148,477	270,473	-	-	121,996
Administration	2,294,504	-	-	-	(2,294,504)
Building Lease Payments	1,000	-	-	-	(1,000)
Other Health Expenditures	446,781	-	-	-	(446,781)
<i>Total Governmental Activities</i>	<u>\$ 6,205,479</u>	<u>\$ 1,229,084</u>	<u>\$ 1,217,033</u>	<u>\$ 1,051,156</u>	<u>\$ (2,708,206)</u>
General Receipts					
Property Taxes Levied					\$ 1,868,738
Intergovernmental Receipts for General Health District Purposes					456,023
State Subsidy/contract with New Carlisle					46,498
Miscellaneous					97,197
<i>Total General Receipts</i>					<u>2,468,456</u>
Change in Net Assets					<u>(239,750)</u>
<i>Net Assets Beginning of Year</i>					<u>2,613,789</u>
<i>Net Assets End of Year</i>					<u>\$ 2,374,039</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, 2009

	<u>General</u>	<u>HMG/TANF Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,649,406	\$ 3,866	\$ 720,767	\$ 2,374,039
<i>Total Assets</i>	<u>1,649,406</u>	<u>3,866</u>	<u>720,767</u>	<u>2,374,039</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	146,590	-	144,208	290,798
Unreserved:				
General Fund	1,502,816	-	-	1,502,816
Special Revenue Funds	-	3,866	576,559	580,425
<i>Total Fund Balances</i>	<u>\$ 1,649,406</u>	<u>\$ 3,866</u>	<u>\$ 720,767</u>	<u>\$ 2,374,039</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, 2009

	General	HMG/TANF Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
State Funds	\$ 502,521	\$ -	\$ 7,490	\$ 510,011
Tax Levies	1,868,738	-	-	1,868,738
License Fees	-	-	314,177	314,177
Nursing Fees	358,073	-	-	358,073
Vital Statistics Fees	270,473	-	-	270,473
Contractual Services	-	438,176	804,990	1,243,166
Medicaid	20,702	-	-	20,702
Other Receipts	19,548	-	2,630	22,178
Reimbursements	56,948	-	-	56,948
Grants	-	-	754,082	754,082
Income and Fees	-	-	20,941	20,941
Sale of Permits	-	-	276,240	276,240
Local Match	-	-	250,000	250,000
<i>Total Receipts</i>	<u>3,097,003</u>	<u>438,176</u>	<u>2,430,550</u>	<u>5,965,729</u>
Disbursements				
Current:				
Salaries - Employees	1,339,223	207,440	1,385,750	2,932,413
PERS	389,872	81,974	190,475	662,321
Supplies	238,899	890	7,423	247,212
Equipment	17,555	-	46,967	64,522
Contract Services/Repair	49,464	-	-	49,464
Contract Services/Other	143,772	79,590	625,715	849,077
Travel & Expenses	24,547	664	26,518	51,729
Advertising & Printing	3,038	-	-	3,038
Health Insurance	280,251	61,698	334,269	676,218
Workers Compensation	21,121	4,798	19,320	45,239
Medicare	18,082	2,303	19,304	39,689
Dental	5,390	737	5,535	11,662
Life Insurance	601	88	609	1,298
Vital Statistics	148,477	-	-	148,477
Maintenance	61,393	-	140,692	202,085
Utilities	61,000	1,105	-	62,105
Lactation	2,619	-	-	2,619
Remittance-State	-	-	81,012	81,012
Other Expense	-	-	904	904
Wraparound	-	-	5,679	5,679
Admin Costs	-	25,000	5,000	30,000
Returned Grant Funds	-	-	28,140	28,140
Building Lease Payments	1,000	-	-	1,000
Capital Improvements	9,576	-	-	9,576
<i>Total Disbursements</i>	<u>2,815,880</u>	<u>466,287</u>	<u>2,923,312</u>	<u>6,205,479</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>281,123</u>	<u>(28,111)</u>	<u>(492,762)</u>	<u>(239,750)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	303,000	303,000
Transfers Out	(303,000)	-	-	(303,000)
Advances In	-	-	125,000	125,000
Advances Out	(125,000)	-	-	(125,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(428,000)</u>	<u>-</u>	<u>428,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(146,877)</u>	<u>(28,111)</u>	<u>(64,762)</u>	<u>(239,750)</u>
<i>Fund Balances Beginning of Year</i>	<u>1,796,283</u>	<u>31,977</u>	<u>785,529</u>	<u>2,613,789</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,649,406</u>	<u>\$ 3,866</u>	<u>\$ 720,767</u>	<u>\$ 2,374,039</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, 2009

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
State Funds	\$ 53,122	\$ 41,527	\$ 502,521	\$ 460,994
Taxes	2,303,978	2,321,037	1,868,738	(452,299)
Nursing Fees	290,000	346,467	358,073	11,606
Vital Statistic Fees	275,000	269,377	270,473	1,096
Medicaid	50,000	20,702	20,702	-
Other Receipts	1,500	18,471	19,548	1,077
Reimbursements	55,000	57,000	56,948	(52)
<i>Total Receipts</i>	3,028,600	3,074,581	3,097,003	22,422
Disbursements				
Salaries	1,385,855	1,339,223	1,339,223	-
PERS	203,613	389,872	389,872	-
Supplies	281,340	275,961	292,113	(16,152)
Unemployment	15,000	-	-	-
Equipment	27,500	27,500	25,470	2,030
Contract Services/Other	165,000	157,782	157,782	-
Contract Services/Repair	43,900	43,900	49,463	(5,563)
Travel & Expenses	33,250	33,250	31,797	1,453
Advertising and Printing	10,000	10,000	5,538	4,462
Health Insurance	298,572	280,251	280,251	-
Worker's Compensation	31,102	21,121	21,121	-
Medicare	18,733	18,083	18,082	1
Dental Insurance	4,857	5,390	5,390	-
Life Insurance	584	601	606	(5)
Vital Statistics	160,000	173,515	193,476	(19,961)
Maintenance	80,000	58,659	61,893	(3,234)
Utilities	65,100	75,101	75,100	1
Marketing and PR	5,000	5,000	-	5,000
Capital Improvement	10,000	10,000	9,576	424
Building Lease Payments	1,000	1,000	1,000	-
Lactation	5,000	5,000	4,719	281
<i>Total Disbursements</i>	2,845,406	2,931,209	2,962,472	(31,263)
<i>Excess of Receipts Over (Under) Disbursements</i>	183,194	143,372	134,531	(8,841)
Other Financing Sources (Uses)				
Transfers Out	(345,500)	(325,500)	(323,000)	2,500
Advances In	-	-	20,000	20,000
Advances Out	-	(125,000)	(125,000)	-
<i>Total Other Financing Sources (Uses)</i>	(345,500)	(450,500)	(428,000)	22,500
<i>Net Change in Fund Balance</i>	(162,306)	(307,128)	(293,469)	13,659
<i>Prior Year Encumbrances Appropriated</i>	53,282	53,282	53,282	-
<i>Fund Balance Beginning of Year</i>	1,743,003	1,743,003	1,743,003	-
<i>Fund Balance End of Year</i>	\$ 1,633,979	\$ 1,489,157	\$ 1,502,816	\$ 13,659

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, 2009

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Grants	\$ 623,254	\$ 438,176	\$ 438,176	\$ -
<i>Total receipts</i>	623,254	438,176	438,176	-
Disbursements				
Salaries	307,356	207,440	207,440	-
PERS	43,030	81,974	81,974	-
Contract Services/repair	100,000	79,590	79,590	-
Contract Services/other	27,500	445	664	(219)
Health Insurance	80,566	61,698	61,698	-
Worker's Compensation	7,376	4,798	4,798	-
Medicare	4,457	2,303	2,303	-
Dental Insurance	859	737	737	-
Life Insurance	111	88	88	-
Utilities	7,000	989	1,105	(116)
Wraparound	7,000	-	-	-
Office Supplies	3,000	615	890	(275)
Administrative Costs	35,000	25,000	25,000	-
<i>Total Disbursements</i>	623,255	465,677	466,287	(610)
<i>Net Change in Fund Balance</i>	(1)	(27,501)	(28,111)	(610)
<i>Prior Year Encumbrances Appropriated</i>	2,119	2,119	2,119	-
<i>Fund Balance Beginning of Year</i>	29,858	29,858	29,858	-
<i>Fund Balance End of Year</i>	\$ 31,976	\$ 4,476	\$ 3,866	\$ (610)

See accompanying notes to the basic financial statements

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

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.

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, 2009
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Fund Accounting (Continued)

Special Revenue Funds (Continued)

GRF/TANF Fund – 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 Statement of Activities: 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 yearend. 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 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 the generally accepted accounting principles. Under the Government's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

As a result of using the cash basis of accounting, certain assets and the 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 viewing 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.

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. Capital Assets

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

G. 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. The District has set aside a portion of the general fund to offset these potential liabilities.

H. 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.

I. 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.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

J. 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.

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.

K. 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 grant 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- Change in Presentation

For the year ended December 31, 2009, the District continued the presentation of the new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

Note 4- Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund 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 budget. The difference between the budgetary basis and the cash basis 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	\$1,236,098	\$5,985
Net Adjustments for Encumbrances	93,308	(2,119)
Cash Basis	\$1,329,406	\$3,866

Note 5- 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 (excepting 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 was for a period of five years and collections continued through 2007. The County Commissioners also authorized the placement of a 1.0 mill replacement levy on the November 2008 ballot. The voters passed the replacement levy to begin collections in 2008 and continue through 2012.

Note 6- Interfund Transfers/Advances

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfers from the General Fund to :

Other Government Funds	\$303,000
Total Transfers from the General Fund	<u>\$303,000</u>

The above mentioned Transfers From/To were used to move receipts to 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.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

Note 6- Interfund Transfers/Advances (Continued)

Interfund advances for the year ended December 31, 2009, were as follows:

Advances from the General Fund to :

Other Government Funds	<u>\$125,000</u>
Total Advances from the General Fund	<u>\$125,000</u>

The above mentioned Advance From/To was used to move receipts from the General Fund to finance a program that had not received total grant awarded as of December 31, 2009. This advance will be paid back in 2010.

Note 7- 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.

Casualty and Property Coverage- APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008 PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

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

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

Note 7- Risk Management (Continued)

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>
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Government’s share of these unpaid claims collectible in future years is approximately \$49,000. 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.

<u>Contributions to PEP</u>	
2007	\$59,159
2008	\$55,012
2009	\$50,146

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 2009, 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.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

Note 7- Risk Management (Continued)

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 2009 was \$676,217 compared to \$640,872 in 2008 and \$553,806 in 2007. This shows a 5.23 percent increase in one year and 18.11 over the two year period. The smaller increase in 2009 is primarily due to the small reduction in staff members including two less personnel that were eligible for coverage.

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

The total cost for the combined programs was \$11,661 for 2009 and \$11,690 for 2008. This indicates a slight decrease due to fewer employees.

Note 8- 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.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

Note 8- Ohio Public Employees Retirement System (OPERS) (Continued)

For the year ended December 31, 2009, 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 2009 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, 2009, 2008, 2007, were \$675,992, \$379,431 and \$356,044, respectively. The increase is attributed to the Early Retirement Incentive payouts in 2009.

Note 9- Postemployment Benefits

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

The health care coverage provided by 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 2009 employer contribution rate was 14.0 percent of covered payroll, of which 7.0 percent was the portion used to fund health care between January 1 and March 31, 2009 and 5.5 percent from April 1 to December 31, 2009.

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, 2008, 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 3 percent annually for the next 6 years. In subsequent years, (7 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.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

Note 10- 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 11- 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. 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 YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Disbursements
U.S. Department of Health and Human Services			
(Passed through Ohio Department of Health)			
Childhood Lead Poisoning Prevention Grant	01210011LD0209	93.197	\$ 41,963
	01210011LD0310		<u>32,628</u>
Total Childhood Lead Poisoning Prevention Grant			74,591
Immunization Action Plan Grant	01210012IM0108	93.268	15,762
	01210012IM0209		<u>84,919</u>
Total Immunization Action Plan Grant			100,681
Ohio Infant Mortality Reduction Initiative Grant	01210011MC0209	93.994	151,907
	01210011MC0310		<u>87,879</u>
Total Ohio Infant Mortality Reduction Initiative Grant			239,786
Public Health Emergency Preparedness/Response	01210012PI0209	93.069	88,524
	01210014OP0109		<u>295,558</u>
Total Public Health Emergency Preparedness/Response			384,082
United States Department of Public Safety			
(Passed through Ohio Department of Public Safety)			
Safe Communities Grant	SC-2009-12-00-00-00479-00	20.600	<u>42,937</u>
Total United States Department of Public Safety			42,937
Total Federal Awards Expenditures			<u><u>\$ 842,077</u></u>

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, 2009**

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.

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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**

July 30, 2010

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, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 30, 2010, 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a more than reasonable possibility that a material misstatement of the District'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 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 basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated July 30, 2010.

We intend this report 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,

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

Perry and Associates
Certified Public Accountants, A.C.

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

July 30, 2010

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

To the Members of the Board:

Compliance

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, 2009. 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, 2009.

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 *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the audit committee, management, the Board, 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, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material significant deficiencies reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Public Health Emergency Preparedness Grant, CFDA #93.069
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

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
SEPTEMBER 30, 2010**