



Dave Yost • Auditor of State

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Public Health–Dayton & Montgomery County
Montgomery County
Reibold Building
117 South Main Street
Dayton, Ohio 45422

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Public Health-Dayton & Montgomery County, Montgomery County, (the PHDMC), as of and for the year ended December 31, 2010, which collectively comprise the PHDMC's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the PHDMC's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Public Health-Dayton & Montgomery County, Montgomery County, as of December 31, 2010, and the respective changes in cash financial position thereof and the respective budgetary comparisons for the General, Federal, and Air Pollution funds for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2011 on our consideration of the PHDMC'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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the PHDMC's basic financial statements taken as a whole. The Federal Awards Expenditure Schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Federal Awards Expenditure Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

August 19, 2011

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The discussion and analysis of the Public Health – Dayton & Montgomery County’s (PHDMC) financial performance provides an overall review of the PHDMC’s financial activities for the year ended December 31, 2010, within the limitations of the PHDMC’s cash basis of accounting. The intent of this discussion and analysis is to look at the organization’s financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the PHDMC’s financial performance.

Mission Statement

Our mission is to lead and innovate by working with our community to achieve the goals of public health: prevention, promotion and protection.

Vision Statement

Our vision is to be an innovative leader in achieving the highest possible health and well-being for Dayton & Montgomery county residents and visitors. To that end, we provide vital, cost-effective and culturally proficient health services that protect and promote people’s health and support and create healthy environments and communities. Through our services, we:

- Prevent** the spread of disease
- Protect** against health threats in the air, food and water
- Promote** healthy behaviors
- Reach out** to vulnerable populations, linking or providing direct services
- Mobilize** community action through partnerships
- Prepare for and respond** to public health emergencies
- Serve** as a public health information resource to physicians and others working in the interests of health

Financial Highlights

Key financial highlights for the year 2010 are as follows:

- Net assets increased by \$551,433, or 5.15% over 2009. Total net assets at year-end were \$11,265,644. The PHDMC had \$34,797,530 in total disbursements during 2010, which is an increase of less than one percent over 2009.
- The PHDMC receives funding from the Montgomery County Human Services Levy. In November, voters approved a replacement levy of 6.03 mills for 8 years, with 70% voting in favor of the measure. The PHDMC received \$18,724,861 in levy funds in 2010, which represents 53% of the PHDMC’s total receipts for the year.
- Program-specific receipts in the form of Charges for Services and Operating Grants comprise 46.1% of total receipts.
- During 2010, the PHDMC launched an intra-net site, to enhance internal communications and provide resources and information for employees. In addition, the organization’s external website was redesigned, to provide quick access to key information in an easy-to-use format.
- The PHDMC also completed a comprehensive *Community Health Assessment* in 2010. This report provides an in-depth look at population health in Montgomery County, including trends, risk data, disparities in health outcomes and access to care. In addition, it offers *Calls to Action*, which challenge residents, community leaders and public health partners to lead by example in promoting healthy lifestyles and improving the overall health status of Montgomery County.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

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 PHDMC’s cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the PHDMC as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the PHDMC as a whole. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the PHDMC as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The PHDMC 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 PHDMC’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 PHDMC as a Whole

Public Health – Dayton & Montgomery County (PHDMC) is a combined general health district established under the laws of the State of Ohio. A nine-member Board governs the PHDMC, which provides public health services to the citizens of Montgomery County and, for certain programs, residents of surrounding counties. These services range from personal health care to air pollution control.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis reflect how the PHDMC did financially during 2010, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the PHDMC at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program’s goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the PHDMC’s general receipts.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

These statements report the PHDMC’s cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, the reader can think of these changes as one way to measure the PHDMC’s financial health. Over time, an increase or decrease in cash position is one indicator of whether the organization’s financial health is improving or deteriorating. When evaluating the PHDMC’s financial condition, one should also consider other non-financial factors, such as the property tax base, the condition of the PHDMC’s capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the PHDMC’s services. State and federal grants, fees and property taxes finance most of these activities. The PHDMC has no business-type activities.

Reporting the PHDMC’s Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the PHDMC’s major funds – not the PHDMC as a whole. The PHDMC establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the PHDMC are governmental.

Governmental Funds – All of the PHDMC’s activities are reported in governmental funds. Governmental fund financial statements provide a detailed short-term view of the PHDMC’s governmental operations and the basic services it provides. Governmental fund information helps determine the availability of financial resources to support the PHDMC’s programs. The PHDMC’s significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The PHDMC’s major governmental funds are the General Fund, Federal Fund, Air Pollution Fund and Capital Project Fund. The programs reported in the governmental funds are those reported in the governmental activities section of the entity-wide statements.

The PHDMC as a Whole

Table 1 provides a summary of the PHDMC’s net assets for 2010 compared to 2009 on a cash basis:

Table 1		
Net Assets –Cash Basis		
	Governmental Activities	
	2010	2009
Assets:		
Cash and Cash Equivalents	\$11,265,644	\$10,714,211
Total Assets	11,265,644	10,714,211
Net Assets:		
Restricted for:		
Federal Fund	335,131	1,655,822
Air Pollution		1,459,129
Food Service	158,326	121,580
Capital Projects	980,948	1,083,619
Unrestricted	9,791,239	6,394,061
Total Net Assets	\$11,265,644	\$10,714,211

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
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(Continued)**

As mentioned previously, net assets increased by \$551,433. Additional detail regarding receipts and disbursements, along with explanations of significant changes, is provided in the next section.

Table 2 reflects the change in net assets in 2010 and provides a comparison to prior year amounts:

**Table 2
Changes in Net Assets**

	Governmental Activities		
	2010	2009	Change
Receipts:			
Program Cash Receipts:			
Charges for Services	\$ 8,587,743	\$10,104,438	(\$1,516,695)
Operating Grants	7,706,813	9,032,166	(1,325,353)
Total Program Receipts	<u>16,294,556</u>	<u>19,136,604</u>	<u>(2,842,048)</u>
General Receipts:			
Property and Other Local Taxes	18,724,861	17,267,040	1,457,821
Miscellaneous	329,546	913,346	(583,800)
Total General Receipts	<u>19,054,407</u>	<u>18,180,386</u>	<u>874,021</u>
Total Receipts	<u>35,348,963</u>	<u>37,316,990</u>	<u>(1,968,027)</u>
Disbursements:			
Public Health Services	34,242,643	33,967,794	274,849
Capital Outlay	554,887	533,279	21,608
Total Disbursements	<u>34,797,530</u>	<u>34,501,073</u>	<u>296,457</u>
Change in Net Assets	551,433	2,815,917	(2,264,484)
Net Assets Beginning of Year	<u>10,714,211</u>	<u>7,898,294</u>	<u>2,815,917</u>
Net Assets End of Year	<u>\$11,265,644</u>	<u>\$10,714,211</u>	<u>\$ 551,433</u>

In 2010, fifty-four percent of the PHDMC's total receipts were from General Receipts, which consist almost entirely of property taxes. Program Receipts accounted for forty-six percent of total receipts. Program Receipts include: charges for birth and death certificates; inspection and permit fees; state and federal operating grants; and patient fees from sources such as private pay, insurance, Medicare and Medicaid.

Under Program Receipts, Charges for Services decreased by \$1,516,695 from 2009 to 2010 due to several factors:

- Funding for the CADAS program (Center for Alcoholism and Drug Addiction Services) decreased significantly. The PHDMC closed the adolescent treatment portion of its CADAS program in late 2009; this was compounded by a decline in the number of adult patients in residential treatment during 2010.
- Receipts from the Home Health Care program decreased by nearly \$263,000 as part of a planned reduction in this area.
- In 2009, two programs received one-time funding, totaling \$336,497: an electronic health record project and GetUp Montgomery County.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Also under Program Receipts, Operating Grants decreased by \$1,325,353. This was due primarily to a decrease in CADAS grant funding and the timing of a large air pollution grant payment, which was received (and recorded) in December, 2009, instead of January, 2010. These two items were partially offset by an increase in Public Health Emergency Response funding and the receipt of new funds under the Creating Healthy Communities grant.

Total disbursements changed by only 0.86% over 2009.

Governmental Activities

On the Statement of Activities – Cash Basis, the first column lists the major categories of services provided by the PHDMC, Public Health Services and Capital Outlay. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Health Services, which account for 98% of all governmental disbursements. The next two columns of the statement entitled Program Receipts identify amounts collected from fees charged for services, as well as grants received by the PHDMC which must be used to provide a specific service. The Net Cost column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the services, which is funded primarily by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost for the current and prior years is presented in Table 3.

**Table 3
Governmental Activities**

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
Public Health Services	\$34,242,643	\$17,948,087	\$33,967,794	\$14,831,190
Capital Outlay	554,887	554,887	533,279	533,279
Total	\$34,797,530	\$18,502,974	\$34,501,073	\$15,364,469

The PHDMC has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging appropriate rates for services. In 2010, fifty-four percent of costs were supported through property taxes, and other general receipts.

Some programs, such as Vital Statistics (birth and death records), are self-supporting through charges for services; others are funded through a combination of charges for services, state and federal grants, and local subsidies.

The PHDMC’s Funds

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

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

At the end of 2010, the governmental funds reported total ending fund balances of \$11,265,644. Of this amount, \$9,167,467 is unreserved fund balance, which is available for spending. The remainder of fund balance is reserved to indicate it is not available for new spending.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

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

The general fund is the chief operating fund of the PHDMC. At the end of 2010, unreserved fund balance in the general fund was \$8,615,782. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total general fund expenditures. Unreserved fund balance represents 40% of the total general fund expenditures.

Revenues exceeded expenditures in the general fund by \$4,545,243 in 2010. Levy funds account for 74% of revenues in the general fund; Charges for Services account for 13%; and Licenses, Permits and Fees make up 8% of general fund revenues.

The federal fund includes all programs that have as a source of funds, a federally-funded grant, whether directly from the federal government or from the State of Ohio in the form of a pass-through. Programs in this fund include Women, Infants, and Children (WIC); PHDMC's Center for Alcoholism & Drug Addiction Services (CADAS); Child and Family Health Services; and Public Health Emergency Response. At the end of 2010, the federal fund balance was \$335,131.

The air pollution fund includes funding for services PHDMC provides for monitoring and controlling air pollution within Montgomery and surrounding counties. The air pollution fund balance at the end of 2010 was (\$218,930).

General Fund Budgeting Highlights

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

During the course of 2010, the PHDMC amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. The Health Commissioner approves adjustments between categories within the Board-approved appropriations.

The final expenditure budget for the general fund was \$22,857,180, compared to actual disbursements of \$21,462,742. This favorable variance of \$1,394,438 reflects several vacant positions and related employee benefits, along with under-spending in the areas of capital, contract services, insurance and operating supplies.

Capital Assets

The PHDMC currently tracks its capital assets. However, since the financial statements are presented on a cash basis, none of these assets are reflected on the financial statements. Instead, the acquisitions of property, plant and equipment are recorded as disbursements when paid.

Debt Administration and Contractual Obligations

The PHDMC has no debt obligations; however, it is paying on a bond issued to Montgomery County to assist in the renovation of the current residence of the PHDMC, 117 S. Main St., Dayton, Ohio, also known as the Reibold Building. The PHDMC occupies the Lower Level, Main Floor and Second Floor. The payments consist of principle and interest payable semi-annually. The PHDMC agreed to a bond of \$8,000,000, with increasing payments through the year 2020. In 2010, payments totaled \$658,569.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Contacting the PHDMC’s Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the PHDMC’s finances and to reflect the PHDMC’s accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to: Director of Administration, Public Health – Dayton & Montgomery County, 117 S. Main Street, Dayton, Ohio 45422.

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**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010**

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$11,265,644
Total Assets	<u>11,265,644</u>
Net Assets:	
Restricted for:	
Federal Fund	335,131
Food Service	158,326
Capital Projects	980,948
Unrestricted	9,791,239
Total Net Assets	<u>\$11,265,644</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

		<u>Program Receipts</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
	<u>Cash</u>	<u>Charges</u>	<u>Operating Grants</u>
	<u>Disbursements</u>	<u>for Services</u>	<u>and</u>
			<u>Governmental</u>
			<u>Activities</u>
Governmental Activities:			
Public Health Services	\$34,242,643	\$8,587,743	\$7,706,813
Capital Outlay	554,887		(554,887)
Total Governmental Activities	<u>\$34,797,530</u>	<u>\$8,587,743</u>	<u>\$7,706,813</u>
General Receipts:			
Property Taxes Levied for Human Services			18,724,861
Miscellaneous			329,546
Total General Receipts			<u>19,054,407</u>
Change in Net Assets			551,433
Net Assets Beginning of Year			<u>10,714,211</u>
Net Assets End of Year			<u>\$11,265,644</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	<u>General</u>	<u>Federal Fund</u>	<u>Air Pollution Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Cash and cash equivalents	\$10,010,169	\$335,131	(\$218,930)	\$980,948	\$158,326	\$11,265,644
Total Assets	<u>10,010,169</u>	<u>335,131</u>	<u>(218,930)</u>	<u>980,948</u>	<u>158,326</u>	<u>11,265,644</u>
Fund Balances:						
Reserved for Encumbrances	1,394,387	619,058	53,152	29,723	1,857	2,098,177
Unreserved, undesignated reported in:						
General Fund	8,615,782					8,615,782
Special Revenue Funds		(283,927)	(272,082)		156,469	(399,540)
Capital Projects Funds				951,225		951,225
Total Fund Balances	<u>\$10,010,169</u>	<u>\$335,131</u>	<u>(\$218,930)</u>	<u>\$980,948</u>	<u>\$158,326</u>	<u>\$11,265,644</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>General</u>	<u>Federal Fund</u>	<u>Air Pollution Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:						
Levy Funds	\$18,724,861					\$18,724,861
Intergovernmental Revenues	385,457	\$5,682,710	\$1,605,074			7,673,241
Licenses, Permits, and Fees	1,984,034	6,960	121,148		\$1,181,445	3,293,587
Charges for Services	3,191,826	2,058,934	42,688		708	5,294,156
Miscellaneous	327,420	5,316	28,734		408	361,878
Total Receipts	<u>24,613,598</u>	<u>7,753,920</u>	<u>1,797,644</u>		<u>1,182,561</u>	<u>35,347,723</u>
Disbursements:						
Current:						
Salaries and Benefits	13,311,507	7,322,964	2,643,421		1,040,348	24,318,240
Supplies	709,359	317,334	32,463		10,439	1,069,595
Contracts	2,178,708	1,145,121	63,501		6,338	3,393,668
Other Disbursements	3,731,432	1,432,845	160,231		136,632	5,461,140
Capital Outlay	137,349	56,347	231,462	\$127,671	2,058	554,887
Total Disbursements	<u>20,068,355</u>	<u>10,274,611</u>	<u>3,131,078</u>	<u>127,671</u>	<u>1,195,815</u>	<u>34,797,530</u>
Excess of Receipts Over (Under) Disbursements	<u>4,545,243</u>	<u>(2,520,691)</u>	<u>(1,333,434)</u>	<u>(127,671)</u>	<u>(13,254)</u>	<u>550,193</u>
Other Financing Sources (Uses):						
Transfers In	777,931	1,200,000	432,066	25,000	50,000	2,484,997
Transfers Out	(1,707,066)		(777,931)			(2,484,997)
Other Financing Sources			1,240			1,240
Total Other Financing Sources (Uses)	<u>(929,135)</u>	<u>1,200,000</u>	<u>(344,625)</u>	<u>25,000</u>	<u>50,000</u>	<u>1,240</u>
Net Change in Fund Balances	3,616,108	(1,320,691)	(1,678,059)	(102,671)	36,746	551,433
Fund Balances Beginning of Year	6,394,061	1,655,822	1,459,129	1,083,619	121,580	10,714,211
Fund Balances End of Year	<u>\$10,010,169</u>	<u>\$335,131</u>	<u>(\$218,930)</u>	<u>\$980,948</u>	<u>\$158,326</u>	<u>\$11,265,644</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Levy funds	\$18,716,901	\$18,716,901	\$18,724,861	\$7,960
Intergovernmental Revenues	394,226	482,251	385,457	(96,794)
Licenses, Permits, and Fees	2,137,621	2,137,621	1,984,034	(153,587)
Charges for Services	3,787,501	3,759,607	3,191,826	(567,781)
Miscellaneous	476,325	476,725	327,420	(149,305)
Total Receipts	<u>25,512,574</u>	<u>25,573,105</u>	<u>24,613,598</u>	<u>(959,507)</u>
Disbursements:				
Public Health Services	22,136,665	22,474,751	21,301,350	1,173,401
Capital Outlay	433,029	382,429	161,392	221,037
Total Disbursements	<u>22,569,694</u>	<u>22,857,180</u>	<u>21,462,742</u>	<u>1,394,438</u>
Excess of Receipts Over Disbursements	2,942,880	2,715,925	3,150,856	434,931
Other Financing Sources (Uses):				
Transfers In			777,931	777,931
Transfers Out	(1,932,066)	(1,854,336)	(1,707,066)	147,270
Total Other Financing Sources (Uses)	<u>(1,932,066)</u>	<u>(1,854,336)</u>	<u>(929,135)</u>	<u>925,201</u>
Net Change in Fund Balance	1,010,814	861,589	2,221,721	1,360,132
Fund Balances Beginning of Year	5,129,808	5,129,808	5,129,808	
Prior Year Encumbrances Appropriated	<u>1,264,253</u>	<u>1,264,253</u>	<u>1,264,253</u>	
Fund Balances End of Year	<u>\$7,404,875</u>	<u>\$7,255,650</u>	<u>\$8,615,782</u>	<u>\$1,360,132</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
FEDERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts:				
Intergovernmental Revenues	\$5,245,065	\$5,930,282	\$5,682,710	(\$247,572)
Licenses, Permits, and Fees			6,960	6,960
Charges for Services	2,195,662	2,366,322	2,058,934	(307,388)
Miscellaneous			5,316	5,316
Total Receipts	<u>7,440,727</u>	<u>8,296,604</u>	<u>7,753,920</u>	<u>(542,684)</u>
Disbursements:				
Public Health Services	10,188,141	11,117,659	10,832,791	284,868
Capital Outlay	75,920	37,930	60,878	(22,948)
Total Disbursements	<u>10,264,061</u>	<u>11,155,589</u>	<u>10,893,669</u>	<u>261,920</u>
Excess of Receipts (Under) Disbursements	(2,823,334)	(2,858,985)	(3,139,749)	(280,764)
Other Financing Sources:				
Transfers In	1,400,000	1,400,000	1,200,000	(200,000)
Total Other Financing Sources	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,200,000</u>	<u>(200,000)</u>
Net Change in Fund Balance	(1,423,334)	(1,458,985)	(1,939,749)	(480,764)
Fund Balances Beginning of Year	599,420	599,420	599,420	
Prior Year Encumbrances Appropriated	<u>1,056,402</u>	<u>1,056,402</u>	<u>1,056,402</u>	
Fund Balances End of Year	<u>\$232,488</u>	<u>\$196,837</u>	<u>(\$283,927)</u>	<u>(\$480,764)</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
AIR POLLUTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental Revenues	\$2,155,502	\$2,277,281	\$1,605,074	(\$672,207)
Licenses, Permits, and Fees	108,684	108,684	121,148	12,464
Charges for Services	72,000	72,000	42,688	(29,312)
Miscellaneous			28,734	28,734
Total Receipts	<u>2,336,186</u>	<u>2,457,965</u>	<u>1,797,644</u>	<u>(660,321)</u>
Disbursements:				
Public Health Services	3,041,766	3,075,144	2,925,708	149,436
Capital Outlay	260,765	313,679	258,522	55,157
Total Disbursements	<u>3,302,531</u>	<u>3,388,823</u>	<u>3,184,230</u>	<u>204,593</u>
Excess of Receipts (Under) Disbursements	(966,345)	(930,858)	(1,386,586)	(455,728)
Other Financing Sources (Uses):				
Transfers In	432,066	432,066	432,066	
Transfers Out		(777,931)	(777,931)	
Other Financing Sources			1,240	1,240
Total Other Financing Sources (Uses)	<u>432,066</u>	<u>(345,865)</u>	<u>(344,625)</u>	<u>1,240</u>
Net Change in Fund Balance	(534,279)	(1,276,723)	(1,731,211)	(454,488)
Fund Balances Beginning of Year	1,362,192	1,362,192	1,362,192	
Prior Year Encumbrances Appropriated	<u>96,937</u>	<u>96,937</u>	<u>96,937</u>	
Fund Balances End of Year	<u><u>\$924,850</u></u>	<u><u>\$182,406</u></u>	<u><u>(\$272,082)</u></u>	<u><u>(\$454,488)</u></u>

See accompanying notes to the basic financial statements.

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**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

1. REPORTING ENTITY

Public Health – Dayton & Montgomery County (PHDMC) is a combined general health district established under the laws of the State of Ohio. A nine-member Board of Health governs the PHDMC, which provides public health services to the citizens of Montgomery County and, for certain programs, surrounding counties also. The Board appoints a health commissioner and all employees of the PHDMC.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the PHDMC. The PHDMC's services include general operations, public health nursing, immunizations, communicable disease clinics and programs, food protection, community and special services, vital statistics, personal health care clinics, air pollution monitoring and control, water and solid waste programs, and regional emergency response planning.

B. Component Units

Component units are legally separate organizations for which the Health District is financially accountable. The PHDMC does not have any component units.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

This annual report is in a format consistent with the presentation requirements of GASB Statement No. 34, as applicable to the PHDMC's cash basis of accounting.

The PHDMC's basic financial statements consist of government-wide financial statements, including a Statement of Net Assets – Cash Basis and a Statement of Activities – Cash Basis, and fund financial statements which provide a more detailed level of financial information.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis display information about the PHDMC as a whole. These statements include the financial activities of the primary government.

The Statement of Net Assets – Cash Basis presents the financial condition of the governmental activities of the PHDMC at year end. The Statement of Activities – Cash Basis compares disbursements and program receipts for each program or function of the PHDMC'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 PHDMC is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the PHDMC, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the PHDMC.

2. Fund Financial Statements

During the year, the PHDMC segregates transactions related to certain PHDMC functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the PHDMC at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The PHDMC uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The PHDMC utilizes the governmental category of funds.

1. Governmental Funds

Governmental funds are those through which most governmental functions of the PHDMC are typically financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the PHDMC's major governmental funds:

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

Federal Fund – This fund includes all programs that have as a source of funds, a federally funded grant, whether directly from the federal government or from the State in the form of a pass-through.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Air Pollution Fund – This fund encompasses the services provided for monitoring and controlling air pollution within Montgomery and surrounding counties. For 2010, this fund does not meet the requirements of major fund reporting; however, the PHDMC has elected to present it as a major fund, since it has been presented as such in previous years.

Capital Project Fund – This fund was established to assist the PHDMC in gathering the funds needed to repair and maintain the various health centers and to purchase/replace other capital items as needed. For 2010, this fund does not meet the requirements of major fund reporting; however, the PHDMC has elected to present it as a major fund, since it has been presented as such in previous years.

The other governmental funds of the PHDMC account for other resources whose use is restricted to a particular purpose, such as the food protection program.

C. Basis of Accounting

The PHDMC's financial statements are prepared using the cash basis of accounting, in accordance with *GASB Statement Number 34* provisions for cash basis reporting. Except for modifications having substantial support, receipts are recorded in the PHDMC's financial records and reported in the financial statements when cash is received, rather than when earned. Likewise, disbursements are recorded when cash is paid, rather than when a liability is incurred. Any such modifications made by the PHDMC are described in the appropriate section in this note.

As a result of using of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for services billed or provided but not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid) are not recorded in these financial statements.

D. Budgetary Process

Ohio law requires the Board of Health to budget and appropriate all funds. The major documents prepared are the certificate of estimated resources and the appropriations resolution, which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The Board of Health uses the fund level as its level of control. Individual grants are limited to their approved budget; the Board must approve any increase or decrease.

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

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

E. Cash and Investments

The Montgomery County Treasurer is the custodian for the PHDMC's cash and investments. The County's cash and investment pool holds the PHDMC's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from: Montgomery County Treasurer, 451 W. Third Street, Dayton, OH 45422.

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

The PHDMC recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

K. Long-Term Obligations

The cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received, and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an Other Financing Source nor a Capital Outlay Expenditure is reported at inception. Lease payments are reported when paid.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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: federally-funded programs; air pollution monitoring and control; capital projects; and the food service program.

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

M. Fund Balance Reserves

The PHDMC reserves any portion of fund balance which is not available for appropriation or which is legally segregated for a specific future use. Designations are made to reflect self-imposed limitations on the use of certain resources, based on management plans. Unreserved fund balance indicates the portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as Other Financing Sources/Uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

3. ACCOUNTABILITY AND COMPLIANCE

Accountability

The Air Pollution Fund had a negative balance of \$218,930 at December 31, 2010. This was due to the timing of cash receipts and transfers between the General Fund and Air Pollution Fund. Management has recognized this issue and plans to monitor individual fund balances more closely, to determine an appropriate course of action, including but not limited to: subsidy transfers from the General Fund; or inter-fund loans to cover temporary cash shortages.

4. CASH AND CASH EQUIVALENTS

The Montgomery County Treasurer maintains a cash pool used by all of the County's funds, including those of PHDMC. The Ohio Revised Code prescribes allowable deposits and investments. At year-end, the carrying amount of the PHDMC's deposits with the Montgomery County Commissioners was \$11,265,644. The Montgomery County Treasurer is the fiscal agent for the PHDMC and is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and deposit accounts.

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING

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

General Fund	\$ 1,394,387
Federal Fund	619,058
Air Pollution Fund	53,152
Capital Projects Fund	29,723

6. PROPERTY TAXES

The County Commissioners have established a Human Services Levy Council (HSLC) in which the PHDMC participates. Currently the combined millage for the two levies is 13.24. The HSLC established a policy regarding agencies maintaining fund balances: maximum allowable fund balance is 9% of budgeted expenses.

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

7. INTER-FUND RECEIVABLES/PAYABLES

There were no loans or cash advances made between the individual funds during the year; therefore, no Inter-fund payable or receivable balances existed at December 31, 2010.

8. RISK MANAGEMENT

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

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

Risk Pool Membership

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

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

8. RISK MANAGEMENT

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, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government. Settled claims have not exceeded this coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

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, 2009 and 2008 (the latest information available):

	2009	2008
Assets	\$36,374,898	\$35,769,535
Liabilities	(15,256,862)	(15,310,206)
Retained Earnings	\$21,118,036	\$20,459,329

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the PHDMC's share of these unpaid claims collectible in future years is approximately \$175,000.

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.

Contributions to PEP	
2010	2009
\$186,664	\$204,652

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

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

9. EMPLOYEE BENEFITS

Health Insurance and Related Employee Benefits

The PHDMC provides health insurance and prescription benefits through Aetna, Inc. Employees may also elect to participate in a Flexible Spending Account (FSA), which allows them to set aside funds to cover out-of-pocket expenses for medical care and/or dependent child care expenses. Voluntary employee payroll deductions fund the plan, and employees file their own claims. The FSA is administered by FlexBank, Inc., and the PHDMC pays an administrative fee of \$4.50 per month per participating employee.

In addition, the PHDMC provides dental and vision benefits through Superior Dental. Life insurance is provided through Companion Life, at a dollar value of one times the annual salary for full-time employees. Employees also have access to disability insurance, for which the employees pay the full costs.

Tuition Reimbursement Program

The PHDMC offers a program to reimburse a limited number of employees for tuition and other institutional fees associated with obtaining a Master of Public Health degree at a college or university approved by the Health Commissioner. Upon successful completion of course(s), and with accompanying receipts for the costs, the PHDMC will reimburse the employee 70 percent of his/her costs. The employee must agree to remain employed with the PHDMC for a minimum of three years after graduation, or repay up to 90 percent of the total reimbursement received.

Continuing Education Program

The PHDMC offers 100 percent reimbursement, up to \$1,500 per year per person, for costs associated with college or university courses that benefit the employee in maintaining, enhancing, or remaining current with new methodologies. All courses are subject to prior approval by management, and a minimum grade is required to receive reimbursement.

10. PENSION PLANS

Ohio Public Employees Retirement System

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

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

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

10. PENSION PLANS (Continued)

Funding Policy – For the year ended December 31, 2010, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The employer contribution rate for pension benefits for 2010 was 14.00 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The PHDMC's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$2,417,493, \$2,428,670, and \$2,391,322 respectively; the full amount has been contributed for years 2010, 2009, and 2008.

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding post-employment healthcare benefits. The portion of employer contributions allocated to health care was 5.5 percent from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010.

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

The PHDMC's contributions allocated to fund post-employment healthcare benefits for the years ended December 31, 2010, 2009, and 2008 were \$876,930, \$940,540, and \$1,195,661 respectively; 100 percent has been contributed for 2010, 2009 and 2008.

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

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

12. CONTRACTUAL OBLIGATION

The PHDMC is paying on a bond issued to Montgomery County to assist in the renovation of the current residence of the PHDMC, 117 S. Main St., Dayton, Ohio, also known as the Reibold Building. The PHDMC occupies the Lower Level, Main Floor and Second Floor. The payments consist of principal and interest payable semi-annually. The PHDMC agreed to a bond of \$8,000,000, with increasing payments through the year 2020. In 2010, payments totaled \$658,569.

Future obligations are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 390,000	\$ 275,319	\$ 665,319
2012	415,000	255,819	670,819
2013	435,000	235,069	670,069
2014	465,000	211,687	676,687
2015	490,000	186,694	676,694
2016-2020	2,940,000	501,769	3,441,769
Total	<u>\$5,135,000</u>	<u>\$1,666,357</u>	<u>\$6,801,357</u>

13. OPERATING LEASES

The PHDMC leases several sites for its operations. The PHDMC disbursed \$1,606,690 to pay lease costs for the year ended December 31, 2010. All leases include cancellation provisions. By far the largest is for the Reibold Building, at \$810,070 for the current year. The current lease expires December 31, 2013, and the agreement limits the annual increase to 5.0 percent per year.

14. INTER-FUND TRANSFERS

Inter-fund transfers for the year ended December 31, 2010 were as follows:

Transferred From:		Transferred To:	
General Fund	\$1,200,000	\$1,200,000	Federal Fund
General Fund	432,066	432,066	Air Pollution Fund
General Fund	25,000	25,000	Capital Fund
General Fund	50,000	50,000	Other (Food Service Fund)
Air Pollution Fund	777,931	777,931	General Fund
Total	<u>\$2,484,997</u>	<u>\$2,484,997</u>	

**PUBLIC HEALTH–DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

15. CONTRACTUAL COMMITMENTS

At December 31, 2010, the PHDMC had \$951,801 in contractual commitments for services. Some of these commitments will be funded by federal and state program grants. Below is a list of the most significant contract amounts and vendors:

Vendor Name	Amount
Grandview Ambulatory Health Center	\$350,000
Wright State Physicians, Inc.	87,616
Patricia Dempsey, DO	60,201
Wright State University	59,526
Cirrus Concept Consulting, Inc.	42,718
Kronos, Inc.	29,723
E-clinical Works, LLC	28,066
Gary Black	19,349
Merchants Security Service	17,206
Echo Group	15,256
DoNet, Inc.	13,259
VocaLink Foreign Language Service	13,177
Ohio University	12,000
Hull & Associates, Inc.	11,425
SHC Services, Inc.	10,732
BGH Emagine, Inc.	10,650
Worldways, Inc.	9,999
De Marchis Consultants	8,555
AIDS Resource Center Ohio	8,433
Miller Makey Jr.	8,250
Carrie Cunnagin	7,920
Brenda Alexander	7,871
William T. Burkhart	6,711
Barry Skrobot, MD	6,124
Interpreters	6,063
Sandra Kimball	6,040
Digital Controls Corp.	5,670
Quadax, Inc.	5,369
Stephen Seaberg	5,025
Total	<u>\$872,934</u>

16. CONTINGENT LIABILITIES

A. Litigation:

The PHDMC is a party to legal proceedings. Although management cannot presently determine the outcome of the litigation, they believe the resolution of these matters will not have a materially adverse effect on the agency's financial condition.

B. Grants:

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

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**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program For Women, Infants, and Children	57-1-001-1-WA-03-10	10.557	\$1,602,336
	57-1-001-1-WA-04-11		468,399
Total Special Supplemental Nutrition Program For Women, Infants, and Children			<u>2,070,735</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Montgomery County</i>			
Lead-Based Paint Hazard Control in Privately-Owned Housing	OHLHB0448-09	14.900	81,743
U.S. ENVIRONMENTAL PROTECTION AGENCY			
<i>Direct Aid</i>			
Air Pollution Control Program Support	A-00526410	66.001	353,657
	A-00526411		138,071
Total Air Pollution Control Program Support			<u>491,728</u>
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	PM-98577204	66.034	230,547
<i>Passed through Ohio Department of Health</i>			
State Indoor Radon Grant	57-1-001-2-IR-03-10	66.032	30,882
	57-1-001-2-IR-04-11		8,074
Total State Indoor Radon Grant			<u>38,956</u>
Total U.S. Environmental Protection Agency			<u>761,231</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through Ohio Department of Health</i>			
Public Health Emergency Preparedness	57-1-001-2-PH-01-10	93.069	928,704
	57-1-001-2-PH-02-11		160,968
Total Public Health Emergency Preparedness			<u>1,089,672</u>
Acquired Immunodeficiency Syndrome (AIDS) Activity	57-1-002-2-TB-01-11	93.118	47,437
Immunization Grants	57-1-001-2-IM-02-09	93.268	1,252
	57-1-001-2-IM-03-10		220,306
Total Immunization Grants			<u>221,558</u>
HIV Care Formula Grants	57-1-001-1-PE-03-09	93.917	10,761
HIV Prevention Activities Health Department Based	57-1-001-2-HP-02-09	93.940	32,800
	57-1-001-2-HP-03-10		368,302
Total HIV Prevention Activities Health Department Based			<u>401,102</u>
Preventive Health Services Sexually Transmitted Diseases Control Grants	57-1-001-2-ST-03-11	93.977	37,290
Preventive Health and Health Services Block Grant	57-1-001-4-IP-01-10	93.991	46,500
	57-1-001-4-CC-01-10		75,186
Total Preventive Health and Health Services Block Grant			<u>121,686</u>
Maternal and Child Health Services Block Grant to the States	57-1-001-1-MC-03-10	93.994	11,071
	57-1-001-1-MC-04-11		354,866
Total Maternal and Child Health Services Block Grant to the States			<u>365,937</u>

PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
<i>Passed through Wright State University</i>			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	H79TI019766	93.243	4,709
	H79TI019766		8,513
	U79SP015042		30,384
	H5H79T1018921		8,760
	5H79T1018921-03		7,661
	5U79SP13243-04		13,773
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			<u>73,800</u>
HIV Demonstration, Research, Public and Professional Education Projects	5U62P2000182-03	93.941	9,980
Total U.S. Department of Health and Human Services			<u>2,379,223</u>
Total			<u>\$5,292,932</u>

The accompanying notes are an integral part of this schedule.

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Public Health-Dayton & Montgomery County's (the PHDMC's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the PHDMC to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The PHDMC has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE C – SAPT BLOCK GRANT

The Center for Alcoholism and Drug Addition Services (CADAS) is a department of the PHDMC. CADAS receives Block Grants for Prevention and Treatment of Substance Abuse (SAPT) CFDA #93.959 from Montgomery County Alcohol Drug and Mental Health Services Board (ADAMHS) to provide prevention, education, and treatment services for alcohol and drug users.

Based on the agreement between ADAMHS and CADAS, SAPT monies disbursed by ADAMHS to CADAS are considered contractual and not pass through or sub-recipient. ADAMHS reports to SAPT monies on their Schedule of Federal Awards. These monies will not be reported on the PHDMC's Schedule.

NOTE D – COMMINGLING

Federal monies received are commingled with other state and local revenues for the following programs:

- Air Pollution Control Program Support (CFDA #66.001)
- HIV Prevention Activities – Health Department Based (CFDA #93.940)
- Maternal and Child Health Services Block Grant to the States (CFDA #93.994)

When reporting expenditures on this Schedule, the PHDMC assumes it expends federal monies first.

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Dave Yost • Auditor of State

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

Public Health – Dayton & Montgomery County
Montgomery County
Reibold Building
117 South Main Street
Dayton, Ohio 45422

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Public Health – Dayton & Montgomery County, Montgomery County, (the PHDMC) as of and for the year ended December 31, 2010, which collectively comprise the PHDMC's basic financial statements and have issued our report thereon dated August 19, 2011, wherein we noted the PHDMC 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 PHDMC's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the PHDMC's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the PHDMC's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the PHDMC's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the PHDMC's management in a separate letter dated August 19, 2011.

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

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

Dave Yost
Auditor of State

August 19, 2011



Dave Yost • Auditor of State

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

Public Health–Dayton & Montgomery County
Montgomery County
Reibold Building
117 South Main Street
Dayton, Ohio 45422

To the Board of Health:

Compliance

We have audited the compliance of Public Health–Dayton & Montgomery County, Montgomery County, (the PHDMC) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of PHDMC's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the PHDMC's major federal programs. The PHDMC's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the PHDMC's compliance based on our audit.

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

In our opinion, the Public Health–Dayton & Montgomery County, Montgomery County, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The PHDMC's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the PHDMC'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 opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the PHDMC's internal control over compliance.

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

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

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



Dave Yost
Auditor of State

August 19, 2011

**PUBLIC HEALTH-DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

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 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 internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any 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(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Supplemental Nutrition Program For Women, Infants, and Children (CFDA #10.557) Maternal and Child Health Services Block Grant to the States (CFDA #93.994)
<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 AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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PUBLIC HEALTH-DAYTON AND MONTGOMERY COUNTY

MONTGOMERY 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 29, 2011**