

**CLERMONT COUNTY
GENERAL HEALTH DISTRICT
CLERMONT COUNTY
Single Audit
For the Year Ended December 31, 2011**

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



Dave Yost • Auditor of State

Board of Health
Clermont County General Health District
2275 Bauer Road, Suite 300
Batavia, Ohio 45103

We have reviewed the *Independent Accountants' Report* of the Clermont County General Health District, Clermont County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2011 through December 31, 2011. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery

Ohio Rev. Code Section 2921.41 prohibits committing any theft offense when the offender uses the offender's office in the aid of committing the offense and the property or service involved is owned by the state, any other state, the United States, a county, a municipal corporation, a township, or any political subdivision, department, or agency of any of them, is owned by a political party, or is part of a political campaign fund. Whoever violates this section is guilty of theft in office.

In March 2011, the District found a \$142 shortage for a pay-in during a daily reconciliation that resulted from fees collected for two back flow permits and four death certificates that were not deposited. The District proceeded to perform an internal review for the period of January 2010 through May 2011. The District reviewed vital statistic logs for birth certificates, birth abstracts and death certificates and compared them to the application forms and payment documentation. During the review the District determined there were fees collected for twenty six birth certificates, eight death certificates, and two back flow permits totaling \$832 by former Administrative Secretary/Assistant/Vital Statistics Registrar, Melissa Jones, These amounts were noted as collected, but not deposited. Additionally, a receipt was not recorded in the District's system, or alternatively, the system receipt was voided.

In June 2011, Ms. Jones was terminated by the District and agreed to pay the District \$832 for money that she collected but was unaccounted for. The District received payment in the amount of \$832, Check no.2217, from Ms. Jones on June 30, 2011, and all applicable state fees were transmitted to the state following the return of the funds by the District.

In July 2011, a customer requested a refund from the District for a permit fee paid for a septic system. However, upon review by the District it was determined that the permit fee was already recorded as refunded by the former Administrative Secretary/Assistant, Melissa Jones in the permit system and the receipt for the fee indicated a cash payment had been voided. The District determined to initiate an internal review of all District financial records for the period of January 2008 through June 2011. The District reviewed all applications, pay-ins, voided receipts, and refunds recorded by the District. The District determined and the Auditor of State confirmed that the former Administrative Secretary/Assistant, Melissa Jones collected cash receipts for 32 transactions involving food service licenses, serve safe class, septic permits, septic applications, septic loan inspection, septic service contracts, plumbing permits, basis system assessments, and immunization shots totaling \$8,862.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued against the former Administrative Secretary/Assistant, Melissa Jones totaling \$9,694 for public money collected but unaccounted for and in favor of the Clermont County General Health District's Sewage Fund for \$4,085, Food Service Fund for \$3,011, Environmental Fund \$1,372, and Preventive Fund for \$1,226. As of the date of this report, Melissa Jones issued payment in the amount of \$832. A balance of \$8,862 remains unpaid.

Officials' Response:

The Clermont County General Health District has taken actions to improve the security of financial transactions that take place at the agency. The Health District turned over documentation concerning the remaining \$8,862 to the Clermont County Sheriff's Office and the Clermont County Prosecutor's Office in January of 2012. The State of Ohio has brought charges against Ms. Jones. The legal proceedings are still in process at the current time and the Health District intends to pursue all avenues to recover the missing funds.

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 Clermont County General Health District is responsible for compliance with these laws and regulations.



Dave Yost
Auditor of State

September 28, 2012

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

June 21, 2012

Clermont County General Health District
Clermont County
2275 Bauer Road, Suite 300
Batavia, Ohio 45103

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 **Clermont County General Health District**, Clermont County, Ohio (the Health District), as of and for the year ended December 31, 2011, which collectively comprise the Health District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Health District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Clermont County General Health District as of December 31, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Bioterrorism Grant, WIC Administration and Sewage Program Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during 2011 the Clermont County General Health District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2012, on our consideration of the Health District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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 Health District's financial statements that collectively comprise the Health District's basic financial statements taken as a whole. The schedule of federal awards receipts and disbursements 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 schedule of federal awards receipts and disbursements 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.

Respectfully submitted,



Perry & Associates
Certified Public Accountants, A.C.

Clermont County General Health District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
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The discussion and analysis of the Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the Health District'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 Health District's financial performance.

Financial Highlights

Key financial highlights for the year 2011 are as follows:

- The assets of the Health District exceeded its liabilities at the close of the year ended December 31, 2011, by \$1,811,241 (net assets).
- The Health District's total net assets decreased by \$125,307 which represents a 6.4% decrease from 2010.
- At the end of 2011, the Health District's governmental funds reported a combined ending fund balance of \$1,056,962. Of this amount, \$559,695 is available for spending (unassigned fund balance) on behalf of Clermont County citizens.
- At the end of the 2011 fiscal year, the unassigned fund balance for the general fund was \$559,695 or 42.3% of total general fund expenditures and other financing uses.

Using the Basic Financial Statements

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 Health District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole Health District, presenting both an aggregate view of the Health District's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the Health District's most significant funds with all other non-major funds presented in total in one column.

Reporting the Health District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the Health District to provide services to our citizens, the view of the Health District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the

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private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Health District's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the Health District as a whole, the financial position of the Health District has improved or diminished. However, in evaluating the overall position of the Health District, nonfinancial information such as the condition of the Health District's capital assets, the reliance on non-local financial resources for the operations and the need for continued growth will also need to be evaluated.

Reporting the Health District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The Health District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Health District are governmental funds. Fund financial reports provide detailed information about the Health District's major funds.

Based on restrictions on the use of monies, the Health District has established many funds which account for the multitude of services provided. However, these fund financial statements focus on the Health District's most significant funds. In the case of the Clermont County Health District, the major funds are the General, Bioterrorism Grant, WIC Administration and Sewage Program. The analysis of the Health District's major funds begins on page 7.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Health District's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Health District maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

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Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Health District, assets exceeded liabilities by \$1,811,241 as of December 31, 2011.

Table 1 provides a summary of the Health District's net assets for 2011 compared to 2010.

Table 1
Net Assets
(In Thousands)

	<u>2011</u>	<u>2010</u>
Assets		
Current & Other Assets	\$ 1,631.5	\$ 1,918.4
Capital Assets, Net	427.7	269.5
<i>Total Assets</i>	<u>2,059.2</u>	<u>2,187.9</u>
Liabilities		
Current & Other Liabilities	53.0	62.2
Long-Term Liabilities		
Due Within One Year	88.7	95.5
Due in More Than One Year	106.2	93.6
<i>Total Liabilities</i>	<u>247.9</u>	<u>251.3</u>
Net Assets		
Invested in Capital Assets Net of Debt	427.7	269.4
Restricted:		
Other Purposes	906.8	1,297.4
Unrestricted	476.8	369.7
<i>Total Net Assets</i>	<u>\$ 1,811.3</u>	<u>\$ 1,936.5</u>

The Health District's Current Assets decreased approximately \$286,900 due to additional funding received for the H1N1 response in 2010 that was reduced in 2011. Capital Assets increased approximately \$158,200 due to receipt of an additional wing of the Alternate Care Center which was donated and the purchase of two vehicles. Current liabilities decreased approximately \$9,200 due to a decrease in accounts payable. Long-term liabilities increased approximately \$5,800.

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Table 2 provides a summary of the changes in net assets for 2011 compared to 2010.

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Program Revenues:		
Charges for Services	\$ 1,550.1	\$ 1,505.9
Operating Grants and Contributions	1,442.5	2,436.8
Capital Grants and Contributions	212.8	-
<i>Total Revenues</i>	<u>3,205.4</u>	<u>3,942.7</u>
Program Expenses		
Health:		
Environmental Health	1,264.8	1,315.4
Community Health Services	876.3	824.5
Health Planning and Promotion	361.3	508.3
Administration	828.3	734.7
<i>Total Expenses</i>	<u>3,330.7</u>	<u>3,382.9</u>
<i>Increase/Decrease in Net Assets</i>	<u>\$ (125.3)</u>	<u>\$ 559.8</u>

Governmental Activities

The Health District's governmental activities include Environmental Health, Community Health Services, Health Planning and Promotion and Administration. Major programs in Environmental Health include Food Service, Marina, Solid Waste, Manufactured Home Park, Private Water, Private Sewage, Swimming Pool, Infectious Waste and Plumbing Inspections. Overall expenses decreased by \$52,200 and revenues decreased by \$737,300. The decrease in expenses and revenue is a result of the H1N1 response during 2009 and 2010. Additional funding was received for the response and additional expenses were incurred included increased supplies for the response and overtime for staff working clinics. Environmental Health saw a decrease in expenditures of \$50,600 in 2011 compared to 2010. This was due to leaving a position in the Water and Waste Division open for 11 months and a Sanitarian position open for approximately six months in 2011.

Community Health Services includes the Bureau for Children with Medical Handicaps Program which provides diagnostic and treatment programs that link families with providers, the Tuberculosis Program, providing Tuberculosis skin testing and case management, Vision and Hearing program, providing no cost screenings to families, Senior Safety Program, working to reduce injuries among senior citizens, the Pathways Program which assists pregnant teens, and Women, Infants and Children (WIC) whose goal is to improve the nutritional status of mothers, infants, and children during critical stages of growth and development. Expenses for Community Health Services increased by \$51,800 in 2011 compared to 2010. This was due to an increase in the WIC Breastfeeding Peer program which added two part-time positions.

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Major programs in Health Planning and Promotion are the Bioterrorism (Public Health Emergency Preparedness) Program which ensures public health is ready and able to respond to major emergencies or terrorism events and the Safe Communities Program whose goal is to reduce the number of traffic fatalities. Health Planning and Promotion expenses decreased by \$147,000 in 2011. This decrease is the result of a significant amount of funding being provided for the 2009 - 2010 H1N1 response in addition to regular emergency preparedness funding.

Administration includes the overall administration of the Health District including fiscal management, support staff and vital statistics. Administration is also comprised of the Public Health Nuisance Program which addresses nuisance complaints made by citizens, administration of the Water and Waste Division and administration for the Nursing Division including support services including the Communicable Disease Program for tracking and conducting disease surveillance and the Immunization Program, providing low cost immunizations for children and adults. In 2011, the Health District started central issuance of birth abstracts for anyone born in the state of Ohio which resulted in significant increase in the number of vital statistic records issued.

Operating grants and contributions decreased by \$994,300 and Capital grants and contributions increased by \$212,800. This is due to funding being provided for the 2009 - 2010 H1N1 response in addition to regular emergency preparedness funding and in 2011 the receipt of an additional wing of the Alternate Care Center .

The Health District's strategy to secure the maximum amount of grants and contracts that are provided by the state and federal governments continues to be productive. Grants include Safe Communities, Bioterrorism (Public Health Emergency Preparedness), Immunization, Preventive Health – Senior Safety, and Women, Infants, and Children (WIC). The Health District also holds contracts with City of Cincinnati Health Department for Cities Readiness Initiative, the Clermont County Board of Commissioners for the Tuberculosis program, Grant Vocational School for the Pathways program and the Ohio Department of Health for the Vision and Hearing program and the SmokeFree Ohio Workplace program. In 2011, the Health District received three additional contracts which include the Ohio Department of Health Local Public Health System and Performance Management Capacity Project, the Ohio Public Health Partnership Continuous Quality Improvement Project and Hamilton County Health District for the O'Bannon Nature Trail Improvement Project.

Financial Analysis of the Health District's Funds

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

Governmental Funds: The focus of the Health District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Health District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Health District's net resources available for spending at the end of the fiscal year.

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Management's Discussion and Analysis
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As of the end of the current fiscal year, the Health District's governmental funds reported combined ending fund balances of \$1,056,962. Of this amount, \$559,695 constitutes unassigned fund balance, which is available for spending. The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending (\$497,267).

The General Fund is the chief operating fund of the Health District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$559,695. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 42.3% of the total General Fund expenditures and other financing uses.

Revenues exceeded expenditures in the General Fund by \$97,955 in 2011. Intergovernmental account for 58.2% of revenues in the General Fund. This consists of money from the townships, villages, and the City of Milford. Administration accounts for the majority, \$843,774, of expenditures in the General Fund.

The WIC Administration Special Revenue Fund accounts for federal grant monies for the Women, Infants and Children (WIC) program. WIC is a program for pregnant women, women who recently had a baby, breastfeeding moms, infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. At the end of the current fiscal year the total fund balance was \$10,531.

The Bioterrorism Special Revenue Fund accounts for federal grant monies for public health infrastructure and emergency planning efforts. The program is responsible for developing the Health District Emergency Operation Plan, all supporting documents, and training and exercise programs. Planning and preparedness are collaborative efforts done on a local level with involvement of key partners in Clermont County as well as regional partners. At the end of the 2011 fiscal year the ending fund balance was \$15,202.

The Sewage Program Special Revenue Fund accounts for permits and licenses for the onsite Sewage Program. The program is responsible for reviewing private sewage treatment system applications, issuing permits for installation and conducting inspections of the installation. The program also conducts basic system assessments of existing private sewage systems to ensure compliance with local and state laws. At the end of the current fiscal year the ending fund balance was \$64,472.

General Fund Budgeting Highlights

The Health District's budget is prepared according to Ohio Law by October two years prior to the fiscal year and adopted by the Board of Health by December of the same year. The budget is then approved by the Clermont County Budget Commission in May, the year prior to the fiscal year. The 2011 budget, for example, was prepared in October, 2009, adopted by the Board of Health by December, 2009, and approved by the budget commission in May of 2010. The budget 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.

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During the course of 2011, the Health District amended its General Fund budget several times, the most significant noted below. All recommendations for the budget were reviewed by the Clermont County Board of Health for adoption on the change. With the General Fund supporting many of our major activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending. Expenditures were increased as \$30,000 was advanced out of the general fund to the Women, Infants and Children fund to cover payroll between grant payments with the increased award amount for the Breastfeeding Peer Program. Funds are advanced to cover expenditures of grants until reimbursement is received. Expenditures were also increased an additional \$86,000 to account for increased vital statistics fees sent to the state as a result of central issuance and as a result of the additional contracts with the Ohio Department of Health, Hamilton County Health District and Ohio Public Health Partnership.

Capital Assets

The Health District's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$427,673 (net of accumulated depreciation). This investment in capital assets includes vehicles, furniture, and equipment.

Note 5 (Capital Assets) provides capital asset activity during 2011.

Major capital asset events during the current year included the following:

- The purchase of two vehicles.
- Receipt of donated wing of Alternate Care Center.

Economic Factors and 2013 Budget

Clermont County experienced a downturn in residential growth in 2006 which continued through 2011. This correlates to a decrease in the number of permits and licenses. The Health District maintains a conservative approach to spending while maximizing its revenues. Current economic indicators show that the economy should remain at its current pace. The Health District has taken steps to compensate for the decrease in revenues as a result of down turned growth by leaving a sanitarian position in the Water and Waste Division and in Environmental Health vacant, not fully staffing the WIC Peer Program, and replacing two part-time dietician positions with one part-time position. The Health District's portion of state-based program revenue will be affected by the fiscal year 2013 State budget bill. The Health District anticipates an increase in the amount of state based funding for 2013; however, given the small amount of funding provided by the state for public health services this should not have a significant impact on the Health District's budget.

All of these factors were considered in the preparation of the Health District's 2013 budget. The Health District has decreased its 2013 budget by 0.3% in an attempt to continue providing public health services with the revenue projection based on current economic factors.

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Requests for Information

This financial report is designed to provide our citizens, creditors, and investors with a general overview of the Health District's finances and to show the Health District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Donna Hart, Clermont County General Health District, Fiscal Officer, 2275 Bauer Rd., Batavia, Ohio 45103, (513)732-7499, (email at cchealth@clermontcountyohio.gov) or visit the Health District website at www.clermonthhealthdistrict.org.

Clermont County General Health District
Clermont County
Statement of Net Assets
December 31, 2011

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,110,042
Intergovernmental Receivable	521,468
Capital Assets:	
Furniture, Fixtures, and Equipment	894,865
Accumulated Depreciation:	
Furniture, Fixtures, and Equipment	(467,192)
<i>Total Assets</i>	2,059,183
LIABILITIES:	
Accounts Payable	7,816
Accrued Wages and Benefits	39,245
Intergovernmental Payable	6,019
Long-Term Liabilities:	
Due Within One Year	88,702
Due in More Than One Year	106,160
<i>Total Liabilities</i>	247,942
NET ASSETS:	
Invested in Capital Assets	427,673
Restricted for Other Purposes	906,757
Unrestricted	476,811
<i>Total Net Assets</i>	\$ 1,811,241

See accompanying notes to the basic financial statements.

Clermont County General Health District
Clermont County
Statement of Activities
For the Year Ended December 31, 2011

	Program Revenues			Net(Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Health:					
Environmental Health	\$ 1,264,777	\$ 1,384,941	\$ 11,686	\$ 212,778	\$ 344,628
Community Health Services	876,344	112,863	698,910	-	(64,571)
Health Planning and Promotion	361,285	-	(80,285)	-	(441,570)
Administration	828,299	52,302	812,203	-	36,206
<i>Total Governmental Activities</i>	<u>\$ 3,330,705</u>	<u>\$ 1,550,106</u>	<u>\$ 1,442,514</u>	<u>\$ 212,778</u>	<u>(125,307)</u>
					<u>1,936,548</u>
					<u>\$ 1,811,241</u>

See accompanying notes to the basic financial statements.

Clermont County General Health District
Clermont County
Balance Sheet
Governmental Funds
December 31, 2011

	<u>General Fund</u>	<u>Bioterrorism Grant</u>	<u>WIC Administration</u>	<u>Sewage Program</u>
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 443,039	\$ 47,253	\$ 79,200	\$ 70,013
Interfund Receivable	145,891	-	-	-
Intergovernmental Receivable	-	79,570	424,080	-
<i>Total Assets</i>	<u>\$ 588,930</u>	<u>\$ 126,823</u>	<u>\$ 503,280</u>	<u>\$ 70,013</u>
LIABILITIES:				
Accounts Payable	\$ 4,946	\$ -	\$ -	\$ -
Accrued Wages and Benefits	16,346	1,778	7,515	4,804
Intergovernmental Payable	2,514	273	1,154	737
Interfund Payable	-	30,000	60,000	-
Deferred Revenue	-	79,570	424,080	-
<i>Total Liabilities</i>	<u>23,806</u>	<u>111,621</u>	<u>492,749</u>	<u>5,541</u>
FUND BALANCES:				
Restricted for Grants	-	15,202	10,531	-
Restricted for Environmental Health	-	-	-	64,472
Assigned	5,429	-	-	-
Unassigned	559,695	-	-	-
<i>Total Fund Balances</i>	<u>565,124</u>	<u>15,202</u>	<u>10,531</u>	<u>64,472</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 588,930</u>	<u>\$ 126,823</u>	<u>\$ 503,280</u>	<u>\$ 70,013</u>

See accompanying notes to the basic financial statements.

Clermont County General Health District
Clermont County
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2011

All Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$ 1,056,962
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$ 470,537	\$ 1,110,042		
-	145,891		
17,818	521,468	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	427,673
\$ 488,355	\$ 1,777,401		
		Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
\$ 2,870	\$ 7,816	Intergovernmental Revenues	521,468
8,802	39,245		
1,341	6,019	Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	
55,891	145,891		
17,818	521,468	Compensated Absences	(194,862)
86,722	720,439		
		<i>Net Assets of Governmental Activities</i>	\$ 1,811,241
133,544	159,277		
268,089	332,561		
-	5,429		
-	559,695		
401,633	1,056,962		
\$ 488,355	\$ 1,777,401		

Clermont County General Health District
Clermont County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	<u>General Fund</u>	<u>Bioterrorism Grant</u>	<u>WIC Administration</u>	<u>Sewage Program</u>
REVENUES:				
Taxes	\$ 1,686	\$ -	\$ -	\$ 35
Charges for Services	295,991	-	-	-
Licenses and Permits	292,279	-	-	388,660
Intergovernmental	822,203	309,349	515,209	-
Other	1,404	-	-	-
<i>Total Revenues</i>	<u>1,413,563</u>	<u>309,349</u>	<u>515,209</u>	<u>388,695</u>
EXPENDITURES:				
Current:				
Health:				
Environmental Health	471,834	-	-	379,755
Community Health Services	-	-	565,324	-
Health Planning and Promotion Administration	-	309,843	-	-
	<u>843,774</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Expenditures</i>	<u>1,315,608</u>	<u>309,843</u>	<u>565,324</u>	<u>379,755</u>
Excess of Revenues Over Expenditures	97,955	(494)	(50,115)	8,940
OTHER FINANCING SOURCES:				
Proceeds from the Sale of Capital Assets	<u>4,685</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	102,640	(494)	(50,115)	8,940
<i>Fund Balance at Beginning of Year</i>	<u>462,484</u>	<u>15,696</u>	<u>60,646</u>	<u>55,532</u>
<i>Fund Balance at End of Year</i>	<u>\$ 565,124</u>	<u>\$ 15,202</u>	<u>\$ 10,531</u>	<u>\$ 64,472</u>

See accompanying notes to the basic financial statements.

**Clermont County General Health District
Clermont County**

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011*

<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Net Change in Fund Balances - Total Governmental Funds	\$ 156,258
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$ -	\$ 1,721		
78,983	374,974		
455,814	1,136,753		
228,155	1,874,916		
36,940	38,344		
<u>799,892</u>	<u>3,426,708</u>		
		Governmental funds report capital outlays as expenditures. Donated assets are reported as Capital Contribution in the statement of activities. The cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
		Capital Outlay	15,619
		Donated Assets	212,778
		Depreciation expense	(70,161)
384,768	1,236,357		
277,798	843,122	In the statement of activities, the loss on the disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on the disposal of capital assets.	4,685
42,039	351,882		
-	843,774		
<u>704,605</u>	<u>3,275,135</u>	Certain licenses and other revenues that do not provide current financial resources are not reported as revenues in the fund.	
		Intergovernmental revenue	(438,773)
95,287	151,573		
		Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
-	4,685	Compensated Absences Payable	(5,713)
95,287	156,258		
<u>306,346</u>	<u>900,704</u>	<i>Change in Net Assets of Governmental Activities</i>	<u>\$ (125,307)</u>
<u>\$ 401,633</u>	<u>\$ 1,056,962</u>		

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 1,686	\$ 1,686
Charges for Services	199,146	254,146	295,991	41,845
Licenses and Permits	307,000	307,000	292,279	(14,721)
Intergovernmental	816,479	847,663	822,203	(25,460)
Other	-	-	1,404	1,404
Total Revenues	<u>1,322,625</u>	<u>1,408,809</u>	<u>1,413,563</u>	<u>4,754</u>
Expenditures:				
Current:				
Administration	847,265	868,724	845,418	23,306
Environmental Health	475,360	540,360	472,621	67,739
Total Expenditures	<u>1,322,625</u>	<u>1,409,084</u>	<u>1,318,039</u>	<u>91,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(275)</u>	<u>95,524</u>	<u>95,799</u>
Other Financing Sources (Uses):				
Advances (Out)	-	(30,000)	(30,000)	-
Proceeds from the Sale of Capital Assets	-	-	4,685	4,685
Total Other Financing Sources (Uses)	<u>-</u>	<u>(30,000)</u>	<u>(25,315)</u>	<u>4,685</u>
Net Change in Fund Balance	<u>-</u>	<u>(30,275)</u>	<u>70,209</u>	<u>100,484</u>
Fund Balance at Beginning of Year	<u>368,268</u>	<u>368,268</u>	<u>368,268</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 368,268</u>	<u>\$ 337,993</u>	<u>\$ 438,477</u>	<u>\$ 100,484</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

Bioterrorism Grant Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 280,111	\$ 280,111	\$ 309,349	\$ 29,238
Total Revenues	<u>280,111</u>	<u>280,111</u>	<u>309,349</u>	<u>29,238</u>
Expenditures:				
Current:				
Health Planning and Promotion	280,111	323,061	311,024	12,037
Total Expenditures	<u>280,111</u>	<u>323,061</u>	<u>311,024</u>	<u>12,037</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(42,950)</u>	<u>(1,675)</u>	<u>41,275</u>
Fund Balance at Beginning of Year	<u>48,928</u>	<u>48,928</u>	<u>48,928</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 48,928</u>	<u>\$ 5,978</u>	<u>\$ 47,253</u>	<u>\$ 41,275</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

WIC Administration Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 563,374	\$ 563,374	\$ 561,498	\$ (1,876)
Total Revenues	<u>563,374</u>	<u>563,374</u>	<u>561,498</u>	<u>(1,876)</u>
Expenditures:				
Current:				
Community Health Services	563,374	570,273	568,476	1,797
Total Expenditures	<u>563,374</u>	<u>570,273</u>	<u>568,476</u>	<u>1,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(6,899)</u>	<u>(6,978)</u>	<u>(79)</u>
Other Financing Sources (Uses):				
Advances In	-	-	30,000	30,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Net Change in Fund Balance	-	(6,899)	23,022	29,921
Fund Balance at Beginning of Year	<u>53,714</u>	<u>53,714</u>	<u>53,714</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 53,714</u>	<u>\$ 46,815</u>	<u>\$ 76,736</u>	<u>\$ 29,921</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

Sewage Program Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 35	\$ 35
Licenses and Permits	403,300	403,300	388,660	(14,640)
Total Revenues	<u>403,300</u>	<u>403,300</u>	<u>388,695</u>	<u>(14,605)</u>
Expenditures:				
Current:				
Environmental Health	403,300	403,300	381,568	21,732
Total Expenditures	<u>403,300</u>	<u>403,300</u>	<u>381,568</u>	<u>21,732</u>
Net Change in Fund Balance	-	-	7,127	7,127
Fund Balance at Beginning of Year	62,886	62,886	62,886	-
Fund Balance at End of Year	<u>\$ 62,886</u>	<u>\$ 62,886</u>	<u>\$ 70,013</u>	<u>\$ 7,127</u>

See accompanying notes to the basic financial statements

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 1 – Reporting Entity

A five-member Board of Health, four of who are appointed by the District Advisory Council and one appointed by the Licensing Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits and emergency response planning.

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

As required by generally accepted accounting principles, the financial statements present the Health District (the primary government). The primary government includes all funds, departments and boards for which the Health District is financially accountable. The Health District does not have any component units.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Health District have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to government units. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. 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, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Health District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through payments from townships and villages, intergovernmental receipts or other non-exchange transactions.

The Statement of Net Assets presents the financial condition of the governmental activities for the Health District at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Health District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular program.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (continued)

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general receipts of the Health District.

Fund Financial Statements

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

B. Fund Accounting

The Health District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Health District are presented in one category: governmental.

Governmental Funds

Governmental funds are those through which all governmental functions of the Health District are financed. Governmental fund reporting focuses on the sources, use and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Health District'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 to the Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

WIC Administration Special Revenue Fund - The WIC Administration Special Revenue Fund accounts for federal grant monies for the Women, Infants and Children program.

Bioterrorism Special Revenue Fund - The Bioterrorism Special Revenue Fund accounts for federal grant monies for public health infrastructure and emergency planning efforts.

Sewage Program Special Revenue Fund - The Sewage Fund accounts for all permits, applications and basic system assessment fees for the residential sewage program.

The other governmental funds of the Health District account for grants and other resources whose use is restricted for a particular purpose.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (continued)

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds for the Health District are classified as internal service. The Health District currently does not have any proprietary funds.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included in the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenue) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues-Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Health District, available means expected to be received within thirty days of year-end.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (continued)

Non-exchange transactions, in which the Health District receives value without directly giving equal value in return include monies from villages, townships, and the City of Milford, grants, entitlements and donations. Revenue from township and village monies, grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: grants and charges for services.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The budget determines the amount of money that is needed from the townships, villages and the City of Milford. The certificate of estimated resources establishes a limit on the amount the Health District may appropriate. The appropriations resolution is the Health District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Health District. The legal level of control has been established by the Health District at the fund, department, and object level for all funds.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Health District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources 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 County 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 budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Board of Health during the year.

F. Deposits and Investments

The County Treasurer is the custodian for the Health District's deposits and investments. The County's deposit and investment pool holds the Health District's deposits and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Clermont County Auditor, Linda L. Fraley, 101 E Main St. 2nd Floor, Batavia, Ohio 45103, www.clermontauditor.org, (513) 732-7150.

G. Capital Assets

Capital assets, which include vehicles and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Health District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles	5-10
Furniture & Equipment	5-10

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (continued)

H. Interfund Transactions

On fund financial statements, receivables and payables resulting from interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the Statement of Net Assets.

I. Compensated Absences

Vacation, personal and compensatory benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

Unused vacation is payable upon termination of employment. Employees with a minimum of 6 months of service and have been removed from probation become vested in accumulated unpaid vacation. Unused vacation is payable upon termination of employment. Unused sick time may be accumulated until retirement. Employees eligible to retire under a District recognized retirement plan, with a minimum of ten years of service, are paid one-fourth of accumulated sick time upon retirement. Such payment may not exceed the value of thirty days of accrued but unused sick leave. All sick, vacation, personal and compensation payments are made at employees' current wage rates.

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligation of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year.

K. Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets net of depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Board of Health or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Net assets restricted for other purposes are restricted by grantors and regulations of other governments.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (continued)

L. Fund Balance

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

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

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

Enabling legislation authorizes the Board to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Board can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

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

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

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (continued)

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

M. Change in Accounting Principles

For 2011, the Health District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted only in the reclassification of fund balance of the Health District's financial statements.

N. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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 expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 – Budgetary Basis of Accounting

While the Health District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the General and each major Special Revenue Fund is presented in the Basic Financial Statements to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 3 – Budgetary Basis of Accounting (continued)

2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Advances in and advances out are operating transactions (Budget) as opposed to balance sheets transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

**Net Change in Fund Balance
General and Major Special Revenue Funds**

	<u>General</u>	<u>Bioterrorism</u>	<u>WIC Administration</u>	<u>Sewage Program</u>
GAAP Basis	\$ 102,640	\$ (494)	\$ (50,115)	\$ 8,940
Net Adjustment for Revenue Accruals	-	-	46,289	-
Net Adjustment for Expenditure Accruals	(2,431)	(1,181)	(3,152)	(1,813)
Net Adjustment for Advances	(30,000)	-	30,000	-
Budget Basis	<u>\$ 70,209</u>	<u>\$ (1,675)</u>	<u>\$ 23,022</u>	<u>\$ 7,127</u>

Note 4 – Receivables

Receivables at December 31, 2011 consisted of charges for services, interfund and intergovernmental receivables arising from grants. A summary of the items of intergovernmental receivables follows:

IAP	\$ 2,716
Injury Prevention	6,475
Safe Communities	8,627
Bioterrorism	79,570
WIC	424,080
Total	<u>\$ 521,468</u>

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	<u>Balance</u> <u>12/31/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2011</u>
Governmental Activities				
Capital Assets being Depreciated:				
Furniture, Fixtures, and Equipment	\$ 715,795	\$ 228,397	\$ (49,327)	\$ 894,865
Total Capital Assets at Historical Cost being Depreciated	<u>715,795</u>	<u>228,397</u>	<u>(49,327)</u>	<u>894,865</u>
Less Accumulated Depreciation:				
Furniture, Fixtures, and Equipment	(446,358)	(70,161)	49,327	(467,192)
Total Accumulated Depreciation	<u>(446,358)</u>	<u>(70,161)</u>	<u>49,327</u>	<u>(467,192)</u>
Governmental Activities Capital Assets, Net	<u>\$ 269,437</u>	<u>\$ 158,236</u>	<u>\$ -</u>	<u>\$ 427,673</u>

Depreciation expense was charged to governmental functions as follows:

Environmental Health	\$ 27,214
Community Health Services	32,996
Health Planning and Promotion	8,920
Administration	1,031
Total Depreciation Expense - Governmental Activities	<u>\$ 70,161</u>

Note 6 – Interfund Receivables/Payables

Individual fund interfund assets/liabilities balances as of December 31, 2011, related to the primary government were as follows:

GOVERNMENTAL ACTIVITIES	ASSET	LIABILITY
	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 145,891	\$ -
Bioterrorism Grant	-	30,000
WIC	-	60,000
Nonmajor Governmental Funds	-	55,891
TOTAL	<u>\$ 145,891</u>	<u>\$ 145,891</u>

Note 7 – Amendments to Original Appropriations Budget

Amendments beyond the object level must be approved by the Board of Health. In 2011, the original appropriation measure was increased and decreased by the Board with the net effect as follows: General Fund \$116,184 and Special Revenue Funds \$47,450.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 8 - Risk Management

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

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

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

Casualty and Property Coverage

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

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

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009 (the latest information available).

	<u>2010</u>	<u>2009</u>
Assets	\$34,952,010	\$36,374,898
Liabilities	<u>(14,320,812)</u>	<u>(15,256,862)</u>
Net Assets	<u>\$20,631,198</u>	<u>\$21,118,036</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Health District's share of these unpaid claims collectible in future years is approximately \$21,000.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 8 - Risk Management (continued)

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

<u>Contributions to PEP</u>	
2009	\$23,641
2010	\$27,670
2011	\$21,854

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP. They must 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 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 was incurred or reported prior to the withdrawal.

Note 9 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (OPERS) which is a public employee retirement system created by the State of Ohio. OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan - a cost sharing multiple-employer defined benefit pension plan;
- The Member-Directed Plan - 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 member and vested employer contributions plus any investment earnings.
- The Combined Plan - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 9 - Defined Benefit Pension Plans (continued)

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. The employee contribution rate for 2011 was 10.0% for employees. The 2011 employer contribution rate was 14.0% of covered payroll. The District's contributions to PERS for the years ended December 31, 2011, 2010 and 2009 were \$288,723; \$298,410; and \$319,863, respectively, 100% has been contributed for the above years, respectively.

Note 10 - Postemployment Benefits

Ohio Public Employees Retirement System

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

In order to qualify for post-retirement health care coverage, age and service retirees under the Tradition Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

Note 11 – Other Employee Benefits

Health District employees have the option of participating in four state-wide deferred compensation plans created in accordance with the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time. According to this plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) must be held in a trust, custodial account, or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Deferred amounts from the plan are not considered "made available" just because a trust, custodial account or annuity contract holds these amounts. The Plan Agreement states that the County and the plan administrators have no liability for losses under the plan with the exception of fraud or wrongful taking.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 12 – Long-Term Liabilities

Long-term obligations of the Health District at December 31, 2011 were as follows:

	<u>Balance</u> <u>12/31/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2010</u>	<u>Amounts Due</u> <u>In One Year</u>
Compensated Absences	<u>\$ 189,149</u>	<u>\$ 101,276</u>	<u>\$ (95,563)</u>	<u>\$ 194,862</u>	<u>\$ 88,702</u>

Compensated absences will be paid from the fund from which the employee's salary is paid.

Note 13 – Contingent Liabilities

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

**Schedule of Federal Awards Receipts and Disbursements
For the Year Ended December 31, 2011**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed Through Ohio Department of Health</i>				
Preventive Health and Health Services Block Grant - Injury Prevention	01310014IP0310	93.991	9,844	6,694
Preventive Health and Health Services Block Grant - Injury Prevention	01310014IP0411	93.991	58,525	61,525
Total Preventive Health and Health Services Block Grant - Injury Prevention			<u>68,369</u>	<u>68,219</u>
Immunization Grants	01310012IM0210	93.268	12,630	4,918
Immunization Grants (State GRF)	01310012IM0411		4,655	4,655
Immunization Grants	01310012IM0411	93.268	57,219	56,843
Total Immunization Grants			<u>74,504</u>	<u>66,416</u>
Public Health Emergency Preparedness Grant	01310012PH0211	93.069	244,076	263,558
Public Health Emergency Preparedness Grant	01310012PH0312	93.069	65,273	47,466
Total Public Health Emergency Preparedness Grant			<u>309,349</u>	<u>311,024</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			452,222	445,659
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed Through Ohio Department of Public Safety</i>				
State and Community Highway Safety Grant	SC-2010-13-00-00-00370-00	20.600	12,705	-
State and Community Highway Safety Grant	SC-2011-13-00-00-00529-00	20.600	43,785	33,486
State and Community Highway Safety Grant	SC-2012-13-00-00-00377-01	20.600	-	8,627
TOTAL DEPARTMENT OF TRANSPORTATION			56,490	42,113
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program)	01310011WA0411	10.557	422,205	448,475
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program)	01310011WA0512	10.557	139,293	120,000
TOTAL DEPARTMENT OF AGRICULTURE			561,498	568,475
TOTAL			<u>\$ 1,070,210</u>	<u>\$ 1,056,247</u>

The accompanying notes to this schedule are an integral part of this schedule.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

**Notes to the Schedule of Federal Awards Receipts and Disbursements
For the Year Ended December 31, 2011**

Note A – Significant Accounting Policies

The accompanying Schedule of Federal Awards Receipts and Disbursements (the Schedule) summarizes activity of the Health District's federal awards programs. This schedule has been prepared on the cash basis of accounting.

Note B – Matching Requirements

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

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

June 21, 2012

Clermont County General Health District
Clermont County
2275 Bauer Road, Suite 300
Batavia, Ohio 45103

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund and the remaining fund information of the **Clermont County General Health District**, Clermont County, Ohio (the Health District), as of and for the year ended December 31, 2011, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated June 21, 2012, in which we noted the Health District implemented Government Accounting Standards Board Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Respectfully Submitted,

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

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

June 21, 2012

Clermont County General Health District
Clermont County
2275 Bauer Road, Suite 300
Batavia, Ohio 45103

To the Members of the Board:

Compliance

We have audited the compliance of the **Clermont County General Health District**, Clermont County, Ohio, (the Health District) 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 the Health District's major federal program for the year ended December 31, 2011. The summary of auditor's results section of the accompanying schedule of audit findings identifies the Health District's major federal program. The Health District'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 opine on the Health District's compliance based on our audit.

Our compliance audit followed 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*. These 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 Health District's compliance with these 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 Health District's compliance with these requirements.

In our opinion, the Health District complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2011.

Internal Control over Compliance

The Health District'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 Health 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 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 Health 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 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 management, the Board, federal awarding agencies and pass-through entities and others within the Health District. It is not intended for anyone other than these specified parties.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

**Schedule of Audit Findings
OMB Circular A -133 § .505
For the Year Ended December 31, 2011**

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 internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other 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):	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), CFDA #10.557
<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

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Dave Yost • Auditor of State

CLERMONT COUNTY GENERAL HEALTH DISTRICT

CLERMONT 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
OCTOBER 11, 2012