



Dave Yost • Auditor of State



**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis for the Year Ended December 31, 2012 .....	3
Basic Financial Statements:	
Statement of Net Assets – Modified Cash Basis for the Year Ended December 31, 2012 .....	11
Statement of Activities – Modified Cash Basis for the Year Ended December 31, 2012 .....	12
Statement of Modified Cash Basis Assets and Fund Balances – Governmental Funds - December 31, 2012.....	13
Statement of Cash Receipts, Disbursements, and Changes in Modified Cash Basis Fund Balances Governmental Funds - for the Year Ended December 31, 2012 .....	14
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual - Budget Basis - General Fund for the Year Ended December 31, 2012 .....	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – WIC Fund for the Year Ended December 31, 2012 .....	16
Notes to the Financial Statements for the Year Ended December 31, 2012.....	17
Management's Discussion and Analysis for the Year Ended December 31, 2011 .....	29
Basic Financial Statements:	
Statement of Net Assets – Modified Cash Basis for the Year Ended December 31, 2011 .....	37
Statement of Activities – Modified Cash Basis for the Year Ended December 31, 2011 .....	38
Statement of Modified Cash Basis Assets and Fund Balances Governmental Funds - December 31, 2011.....	39
Statement of Cash Receipts, Disbursements, and Changes in Modified Cash Basis Fund Balances Governmental Funds - for the Year Ended December 31, 2011 .....	40
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual - Budget Basis - General Fund for the Year Ended December 31, 2011 .....	41
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual - Budget Basis – PHP/PHER/MRC Fund for the Year Ended December 31, 2011 .....	42
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual - Budget Basis – WIC Fund for the Year Ended December 31, 2011 .....	43

CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY

TABLE OF CONTENTS  
(Continued)

<b>TITLE</b>	<b>PAGE</b>
Notes to the Financial Statements for the Year Ended December 31, 2011 .....	45
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.....	57



# Dave Yost • Auditor of State

## INDEPENDENT AUDITORS' REPORT

Champaign Health District  
Champaign County  
1512 S. US Highway 68, Suite Q100  
Urbana, Ohio 43078

To the Members of the Board:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Champaign Health District, Champaign County, Ohio (the District, as of and for the year ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The Champaign Health District, Champaign County, Ohio, as of December 31, 2012 and 2011, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General and WIC funds for the year ended December 31, 2012 and the General, PHI/PHER/MRC and WIC funds for the year ended December 31, 2011, in conformity with the basis of accounting note 2 describes.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402

Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688

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**Opinion (Continued)**

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Emphasis of Matter**

As discussed in Note 10 to the financial statements, during 2011, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

**Other Matters**

***Supplemental and Other Information***

We audited to opine on the District's financial statements that collectively comprise its basic financial statements. *Management's Discussion & Analysis* includes tables of net assets, changes in net assets, and governmental activities. These tables provide additional analysis and are not a required part of the basic financial statements.

These tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

March 20, 2013

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

This discussion and analysis of the Champaign Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2012, within the limitations of the Health District's cash basis of accounting. 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 enhance their understanding of the Health District's financial performance.

**Highlights**

Key highlights for 2012 are as follows:

- Net assets from all governmental activities increased by \$67,867, a change predominantly due to the CFHS Grant and decrease in expenditures
- Program specific receipts in the form of charges for services, operating grants and contributions, and contract services comprise the largest percentage of the Health District's receipts, making up almost 56 percent of all the dollars coming into the District. General receipts in the form of and unrestricted grants make up the other 44 percent. This is almost the exact same as 2011.
- The Health Grants Fund, which is the Public Health Emergency Preparedness fund, went from a major fund to a non-major fund in 2012. Activities related to this fund are now classified with Other Governmental Funds.
- The Health District had \$951,734 in disbursements during 2012.
- Grant revenue increased by \$15,926; this is due to the CFHS Grant and a small increase in the WIC Grant.

**Using the Basic Financial Statements**

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

**Report Components**

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

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

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

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)  
(Continued)**

**Basis of Accounting**

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

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

**Reporting the Health District as a Whole**

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

The statement of net assets and the statement of activities reflect how the Health District did financially during 2012 within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Health District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's services, and grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

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

When evaluating the Health District's financial condition, you should also consider other non-financial factors. Such as, the extent of the Health District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in in-side millage as a local revenue source.

In the statement of net assets and the statement of activities, all Health District activities are reported as governmental. State and federal grants, fees, and inside millage finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them; particularly in the personal health services division. The Health District has no business-type activities.



**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)  
(Continued)**

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

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

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

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

**The Health District as a Whole**

Table 1 provides a summary of the Health District's net assets for 2012 on a cash basis. A comparative analysis will be presented.

**(Table 1)  
Net Assets**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
<b>Assets:</b>		
Cash and Cash Equivalents	\$599,272	\$531,405
Total Assets	<u>599,272</u>	<u>531,405</u>
<b>Net Assets:</b>		
<b>Restricted for:</b>		
Restricted	76,568	80,256
Unrestricted	522,704	451,149
Total Net Assets	<u>\$599,272</u>	<u>\$531,405</u>

As mentioned previously, net assets of all governmental activities increased by \$67,867 during 2012. The primary reasons contributing to the increases in cash balances are as follows:

- CFHS Grant and decrease in expenditures

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)  
(Continued)**

Table 2 reflects the changes in net assets in 2012. A comparative analysis of District-wide data is presented.

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

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
<b>Receipts:</b>		
<b>Program Receipts:</b>		
Charges for Services and Sales	\$ 288,272	\$ 290,685
Operating Grants and Contributions	289,041	273,115
Total Program Receipts	<u>577,313</u>	<u>563,800</u>
<b>General Receipts:</b>		
Revenue from Subdivisions	168,500	168,500
State Subdivisions	7,498	6,967
Levy	266,290	266,510
Total General Receipts	<u>442,288</u>	<u>441,977</u>
Total Receipts	<u>1,019,601</u>	<u>1,005,777</u>
<b>Disbursements:</b>		
<b>Environmental Health:</b>		
Food Program	73,115	81,682
Solid Waste	4,594	5,243
Swimming Pools	3,255	3,169
MHP/Camps		10,385
Plumbing	36,750	24,235
Sewage	27,652	37,781
Other Environmental Health	90,389	144,770
Personal Health Services	121,611	154,198
Immunizations	43,629	18,440
Laboratory	3,728	8,358
<b>Grants:</b>		
WIC	151,109	149,070
Help Me Grow/CFHS	24,848	8,893
IAP	22,814	22,175
MRC	2,526	3,160
Public Health Emergency Preparedness	85,328	128,523
Vital Statistics	23,733	26,852
Child Abuse Prevention	7,254	6,174
Administration	157,612	118,811
Travel/Training	17,275	20,118
County Auditor/Treasurer Fee	8,845	7,338
Rent/Maintenance Phones	38,944	37,567
Other Health Expenditures	6,723	
Total Disbursements	<u>951,734</u>	<u>1,016,942</u>
Increase (Decrease) in Net Assets	67,867	(11,165)
Net Assets, January 1	<u>531,405</u>	<u>542,570</u>
Net Assets, December 31	<u>\$ 599,272</u>	<u>\$ 531,405</u>

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)  
(Continued)**

General receipts represent 43 percent of the Health District's total receipts, and of this amount, 38 percent are local taxes (revenue from subdivisions) provided by each municipality and District in the county. Levy dollars represent 60 percent of general receipts, with the remaining amount 2 percent provided by the State Subsidy at less than \$0.19 per capita.

Disbursements for the Health District represent the overhead costs of running the Health District and the support services provided for the other District activities. These include primarily the costs of personnel and personnel support at 72 percent of total disbursements, as the primary product of the Health District is preventive health services which are labor-intensive.

Capital outlay signifies the disbursements for equipment for use in administering the Health District's services. There were no significant equipment purchases during 2012, with the total equipment purchases at less than 1 percent of all disbursements.

**Governmental Activities**

If you look at the Statement of Activities on page 12, you will see that the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Health services.

The Net Cost (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service that ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts that are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3. All grants (IAP, WIC, CFHS, and Public Health Emergency Preparedness) have a zero net cost to the health district, in 2008 all grant funds were separated from one general fund; any apparent net costs to the district are not real and should be attributed to changes in accounting practices, carryover, and differing fiscal years.

**Table 3**

	<b>Cash Disbursements</b>	<b>Net Cost of Services</b>
<b>Governmental Activities:</b>		
<b>Environmental Health:</b>		
Food Program	\$ 73,115	\$ 1,289
Solid Waste	4,594	(623)
Swimming Pools	3,255	(33)
MHP/ Camps		983
Plumbing	36,750	(14,802)
Sewage	27,652	2,634
Other Environmental Health	90,389	(69,814)
Personal Health Services	121,611	(74,138)
Immunizations	43,629	(10,866)
Laboratory	3,728	3,207
Grants		
WIC	151,109	(5,961)
Help Me Grow/CFHS	24,848	(9,778)
IAP	22,814	4,847
MRC	2,526	2,474
		(Continued)

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)  
(Continued)**

**Table 3  
(Continued)**

	<b>Cash Disbursements</b>	<b>Net Cost of Services</b>
Public Health Emergency	85,328	6,840
Vital Statistics	23,733	9,281
Child Abuse Prevention	7,254	1,121
Administration	157,612	(157,612)
Travel/Training	17,275	(17,275)
County Auditor/Treasurer Fee	8,845	(8,845)
Rent/Maintenance/Phones	38,944	(38,944)
Other Health	6,723	1,594
Total Governmental Activities	<u>\$951,734</u>	<u>(\$374,421)</u>

**The Health District's Funds**

Total Governmental funds had receipts of \$1,019,601 and disbursements of \$951,734.

Receipts were more than disbursements in one of the Health District's funds, mainly due to the increase in BCMH revenue and increased efficiency of immunization billing. In the Environmental Health division most of the services are provided for a fee based on current cost methodologies. However, even with adjustments to fees during 2012 the division is not self-funded and requires monies from the general fund. In the Nursing and Personal Health Services division, most of the services provided are not fee based and are wholly funded via the general fund. All of the grants received by the district except the Immunization Action Planning grant have differing fiscal years, therefore while it appears there are more expenditures than receipts this is not true at the end of each grant year.

**General Fund Budgeting Highlights**

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

During 2012, the Health District amended its General and Special Revenue fund budgets to reflect changing circumstances. The addition of the CFHS grant required an Amended Certificate of Estimated Resources.

Revenues for General Fund were originally budgeted at \$545,675, and actual revenue was \$611,296. Revenues in the nursing and personal health programs were slightly increased due to Medicaid/Medicare reimbursement was significantly increased due to higher priority of billing and receipt of funds. Revenues for WIC were originally budgeted at \$159,211, and actual revenue of \$145,148 due to changes in grant funding for services provided, a payment posted to the WIC grant at the end of 2012 was posted to the Champaign County Treasurer, but was not posted to the Health District WIC Fund until early 2013.

Disbursements for General Fund were originally budgeted at \$557,232, amended to \$577,232, and actual disbursements were \$564,104. Disbursements for WIC were originally budgeted at \$159,211, amended to \$154,778, and actual disbursements of \$151,341. The Health District kept overall spending within two percent of the general revenue fund budgeted accounts.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)  
(Continued)**

**Capital Assets**

The Health District does not currently keep track of its capital assets and infrastructure. The Health District has not made plans to track this, as it is not required by current law. The Health District does not own land or other real estate at this time.

**Debt**

At December 31, 2012, the Health District's outstanding debt included future lease payments for the office facility and copier equipment, as well as accumulated leave balances for the Health District's employees. For further information regarding the Health District's rental lease, refer to the note 9 to the basic financial statements.

**Current Issues**

The challenge for all Health Districts is to provide high quality preventive health services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Health District relies heavily on inside millage from the cities, townships, and villages and state level grant funds; as the inside millage and the grant funds are fairly fixed we continue to struggle with the increase in operating expenses primarily in personnel costs. Without a significant change in these resources, even with conservative spending, the Health District will continue to see a decrease in financial stability. The District successfully passed a 0.4 mil levy in November 2007 and May 2012. This additional funding in 2013 through 2017 will assure that basic service provision can continue even with shrinkage of grant funding.

**Contacting the Health District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Health District's finances and to reflect the Health District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jeff Webb, Acting Health Commissioner, Champaign Health District, 1512 S. US Highway 68, Suite Q100, Urbana, OH 43078.

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CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$599,272
Total Assets	<u>599,272</u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Other Purposes	76,568
Unrestricted	522,704
Total Net Assets	<u>\$599,272</u>

*See accompanying notes to the basic financial statements.*

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Program Receipts</u>			<b>Net (Disbursements) Receipts and</b>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Changes in Net Assets</u>  <u>Governmental Activities</u>
<b>Governmental Activities:</b>				
<b>Environmental Health:</b>				
Food Program	\$73,115	\$74,404		\$1,289
Solid Waste	4,594		\$3,971	(623)
Swimming Pools	3,255	3,222		(33)
MHP/ Camps		983		983
Plumbing	36,750	21,948		(14,802)
Sewage	27,652	30,286		2,634
Other Environmental Health	90,389	20,575		(69,814)
Personal Health Services	121,611	47,473		(74,138)
Immunizations	43,629	32,763		(10,866)
Laboratory	3,728	6,935		3,207
<b>Grants:</b>				
WIC	151,109		145,148	(5,961)
Help Me Grow/CFHS	24,848		15,070	(9,778)
IAP	22,814		27,661	4,847
MRC	2,526		5,000	2,474
Public Health Emergency	85,328		92,168	6,840
Vital Statistics	23,733	33,014		9,281
Child Abuse Prevention	7,254	8,375		1,121
Administration	157,612			(157,612)
Travel/Training	17,275			(17,275)
County Auditor/Treasurer Fee	8,845			(8,845)
Rent/Maintenance/Phones	38,944			(38,944)
Other Health	6,723	8,294	23	1,594
<b>Total Governmental Activities</b>	<u><u>\$951,734</u></u>	<u><u>\$288,272</u></u>	<u><u>\$289,041</u></u>	<u><u>(374,421)</u></u>
<b>General Receipts:</b>				
				266,290
				168,500
				7,498
				<u>442,288</u>
				67,867
				<u>531,405</u>
				<u><u>\$599,272</u></u>

See accompanying notes to the basic financial statements.



**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	<u>General</u>	<u>WIC Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$522,704	\$3,669	\$72,899	\$599,272
Total Assets	<u>522,704</u>	<u>3,669</u>	<u>72,899</u>	<u>599,272</u>
<b>Fund Balances:</b>				
Non-spendable				
Restricted		3,669	72,899	76,568
Committed				
Assigned	84,677			84,677
Unassigned	438,027			438,027
Total Fund Balances	<u>\$522,704</u>	<u>\$3,669</u>	<u>\$72,899</u>	<u>\$599,272</u>

*See accompanying notes to the basic financial statements.*

CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES  
IN MODIFIED CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS

	General	WIC Grant	Governmental Funds	Total Governmental Funds
<b>Receipts:</b>				
State Funds	\$7,498			\$7,498
<b>Grants:</b>				
Local			\$3,971	3,971
Federal		\$144,507	131,289	275,796
Levy	266,290			266,290
Subdivisions	168,500			168,500
Fines, Licenses and Permits: Environmental	43,506		116,084	159,590
Nursing Fees	75,721		3,035	78,756
Medicaid/Medicare	4,247		4,065	8,312
Vital Statistic Fees	33,014			33,014
Charges for Services	6,935			6,935
Contracts	520			520
Donations	8			8
Reimbursements/Refunds	4,807	641	4,713	10,161
Miscellaneous	250			250
<b>Total Receipts</b>	<b>611,296</b>	<b>145,148</b>	<b>263,157</b>	<b>1,019,601</b>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	308,602	102,258	131,124	541,984
Sick Leave Vacation Payoff	920	1,265	115	2,300
Group Insurances	40,226	18,217	25,634	84,077
Medicare	4,528	1,468	1,683	7,679
PERS	46,050	14,234	16,980	77,264
Workers Compensation	8,788	3,189	3,958	15,935
Supplies -Office and program speciofic	9,004	883	268	10,155
Supplies - Postage	2,302	148	227	2,677
Supplies - Medical	5,517			5,517
Supplies - Vaccine	15,299			15,299
Equipment	4,672		3,085	7,757
Rent/Maintenance Building	27,253	6,284		33,537
Rent/Lease Equipment	6,714			6,714
Insurance Liability	6,644			6,644
Telephone	4,978	1,516	5,109	11,603
Audit	1,804			1,804
Advertising and Printing/Binding	1,737	307	1,462	3,506
Travel/ Training/ Dues / Membership	17,275	1,210	5,971	24,456
Consulting/ Contracts	4,112	130	35,591	39,833
Refunds	40		4,116	4,156
Fees - Lab/State	3,728			3,728
Fees - Vital Statistics	16,479		7,254	23,733
Fees - State Remittances	5,528		8,807	14,335
Fees- County Auditor	7,041			7,041
<b>Total Disbursements</b>	<b>549,241</b>	<b>151,109</b>	<b>251,384</b>	<b>951,734</b>
Excess of Receipts Over (Under) Disbursements	62,055	(5,961)	11,773	67,867
<b>Other Financing Sources (Uses):</b>				
Transfers In	9,500			9,500
Transfers Out			(9,500)	(9,500)
<b>Total Other Financing Sources (Uses)</b>	<b>9,500</b>		<b>(9,500)</b>	
Net Change in Fund Balances	71,555	(5,961)	2,273	67,867
Fund Balances Beginning of Year	451,149	9,630	70,626	531,405
Fund Balances End of Year	<u>\$522,704</u>	<u>\$3,669</u>	<u>\$72,899</u>	<u>\$599,272</u>

See accompanying notes to the basic financial statements.

CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
State Funds	\$6,000	\$6,000	\$7,498	\$1,498
Grants				
Levy	261,700	261,700	266,290	4,590
Subdivisions	168,500	168,500	168,500	
Fines, Licenses and Permits: Environmental	29,650	29,650	43,506	13,856
Nursing Fees	39,500	39,500	75,721	36,221
Medicaid/Medicare	5,500	5,500	4,247	(1,253)
Vital Statistic Fees	25,300	25,300	33,014	7,714
Charges for Services	7,000	7,000	6,935	(65)
Donations			520	520
Reimbursements	525	525	8	(517)
Contracts			4,807	4,807
Miscellaneous	2,000	2,000	250	(1,750)
<b>Total Receipts</b>	<u>545,675</u>	<u>545,675</u>	<u>611,296</u>	<u>65,621</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	289,209	317,037	308,602	8,435
Sick Leave Vacation Payoff	10,000	921	920	1
Group Insurances	34,230	40,226	40,226	
Medicare	4,194	4,748	4,528	220
PERS	40,489	48,210	46,050	2,160
Workers Compensation	11,568	8,788	8,788	
Supplies -Office and program specific	13,000	9,941	9,604	337
Supplies - Postage	4,500	2,973	2,402	571
Supplies - Medical	13,000	6,000	5,517	483
Supplies - Vaccine	20,000	17,299	17,299	(0)
Equipment	4,500	4,686	4,672	14
Repair/Maintenance	1,000			
Rent/Maintenance Building	27,089	27,253	27,253	
Rent/Maintenance equipment	5,353	7,264	7,264	
Insurance Liability	6,000	6,650	6,644	6
Telephone	5,200	5,454	5,478	(24)
Advertising	1,000	2,402	2,504	(102)
Travel/ Training/ Dues / Membership	21,500	18,906	3,687	15,219
Audit Charges	3,000	3,000	17,275	(14,275)
Consulting/ Contracts	4,000	4,445	4,445	
Refunds	250	150	40	110
Fees - County Auditor	7,550	7,041	3,728	3,313
Fees - Lab/State	7,600	10,359	17,609	(7,250)
Fees - Vital Statistics	20,000	23,479	12,528	10,951
Unanticipated Emergency/Transfer Out	3,000		7,041	(7,041)
<b>Total Disbursements</b>	<u>557,232</u>	<u>577,232</u>	<u>564,104</u>	<u>13,128</u>
Excess of Receipts Over (Under) Disbursements	<u>(11,557)</u>	<u>(31,557)</u>	<u>47,192</u>	<u>78,749</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In			9,500	9,500
<b>Total Other Financing Sources (Uses)</b>			<u>9,500</u>	<u>9,500</u>
Net Change in Fund Balances	(11,557)	(31,557)	56,692	88,249
Prior Year Encumbrances Appropriated	3,147	3,147	3,147	
Fund Balances Beginning of Year	448,002	448,002	448,002	
<b>Fund Balances End of Year</b>	<u>\$439,592</u>	<u>\$419,592</u>	<u>\$507,841</u>	<u>\$88,249</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
WOMEN, INFANTS, AND CHILDREN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
WIC - Intergovernmental	\$159,211	\$159,211	\$144,507	(\$14,704)
Reimbursements			641	641
Total Receipts	<u>159,211</u>	<u>159,211</u>	<u>145,148</u>	<u>(14,063)</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	105,359	102,258	102,258	
Sick Leave Vacation Payoff		1,265	1,265	
Group Insurances	21,729	18,217	18,217	
Medicare	1,528	1,673	1,468	(205)
PERS	14,751	14,234	14,234	
Workers Compensation	5,268	3,221	3,189	(32)
Supplies -Office and program speciofic	1,503	1,370	444	(926)
Advertising		307	307	
Client Incentive/BF	1,138	2,205	587	(1,618)
Rent/phones	7,435	8,032	8,032	
Travel/ Training/ Dues / Membership	500	1,210	1,210	
Refund		500		(500)
Consulting/Contracts		286	130	(156)
Total Disbursements	<u>159,211</u>	<u>154,778</u>	<u>151,341</u>	<u>(3,437)</u>
Net Change in Fund Balances		4,433	(6,193)	(10,626)
Prior Year Encumbrances Appropriated				
Fund Balances Beginning of Year	<u>9,630</u>	<u>9,630</u>	<u>9,630</u>	
Fund Balances End of Year	<u>\$9,630</u>	<u>\$14,063</u>	<u>\$3,437</u>	<u>(\$10,626)</u>

*See accompanying notes to the basic financial statements.*

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**1. REPORTING ENTITY**

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

A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

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

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include vital statistics, prevention and control of disease, immunization clinics, public health nursing services, inspections, the issuance of health-related licenses and permits, sanitation, abatement and removal of nuisances, and emergency response planning.

**B. Component Units**

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; or the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Health District, are accessible to the Health District and are significant in amount to the Health District. The Health District includes no component units.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. 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.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. 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. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and contract services rendered for a program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

**2. 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. Non-major 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. Funds are used to segregate resources that are restricted as to use. All of the funds of the Health District are governmental.

**1. Governmental Funds**

Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

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.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Public Health Emergency Preparedness Grant Fund, the Immunization Action Plan Grant Fund, the CFHS Fund, and the WIC Grant Fund account for State and Federal grant money used to provide programs in Champaign County. The WIC funds are predominantly for early childhood issues including nutrition, early detection and intervention. The CFHS fund is being used to complete a comprehensive Community Health Assessment and Health Improvement planning. The Public Health Infrastructure/Emergency Response Fund includes the Public Health Emergency Preparedness, Public Health Emergency Response, and Medical Reserve CORP's funds, which are used to provide public health emergency preparedness and volunteer recruitment activities for the county. The Immunization Action Plan fund is used to provide immunization and immunization education for families of children birth through thirty five months. Each of these funds is restricted for a particular purpose.

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

**C. Basis of Accounting**

The Health District's financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, function, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and Health Districts within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and Health Districts within the district if the filing has not been made.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**E. Cash and Investments**

The Champaign County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Champaign County Auditor, 1512 S. US Highway 68, Suite B300, Urbana, Ohio 43078, (937) 484-1600.

**F. Restricted Assets**

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Interfund Receivables/Payables**

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.



**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Accumulated Leave**

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

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Long-Term Obligations**

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**M. Fund Balance Reserves**

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

**Non-spendable** - The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are 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.

**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 of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health 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, the 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 of Health, 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.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assigned** - Amounts in the assigned fund balance classification are intended to be used by the Health District 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 of Health or a Health District official delegated that authority by resolution, or by State Statute.

**Unassigned** - Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Health District 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.

**N. Interfund Transactions**

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

**3. BUDGETARY BASIS OF ACCOUNTING**

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

General Fund	\$14,863
<b>Major Special Revenue Funds:</b>	
WIC	232
<b>Other Governmental Funds:</b>	
Solid Waste, Immunization Action Plan, Child Abuse and Neglect, Swimming Pool, Food, CFHS, and Sewage	450
Total	<u>\$15,545</u>

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**4. INTERGOVERNMENTAL AND LEVY FUNDING**

The County apportions the excess of the Health District's appropriations over other estimated receipts among the Districts and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as Subdivision revenue.

**5. RISK MANAGEMENT**

**A. Commercial Insurance**

The Health District has obtained commercial insurance for the following risks:

- Employee health insurance
- Errors and omissions.

**B. Risk Pool Membership**

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.

**1. 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.

**2. 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, 2011 and 2010 (the latest information available):

<u>Casualty Coverage</u>	<u>2011</u>	<u>2010</u>
Assets	\$33,362,404	\$34,952,010
Liabilities	(14,187,273)	(14,320,812)
Retained earnings	<u>\$19,175,131</u>	<u>\$20,631,198</u>

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**5. RISK MANAGEMENT (Continued)**

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, 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 Government's share of these unpaid claims collectible in future years is approximately \$6,000

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

<u>Contributions to PEP</u>	
2008	\$3,952
2009	4,336
2010	5,196
2011	5,961
2012	6,644

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

**C. County Commissioner Association of Ohio Workers' Compensation Group Rating**

For 2012 the Health District, through Champaign County as their fiscal agent, participated in the State of Ohio Worker's Compensation system. The Health District budgets 4.5% of wages to provide Workers' Compensation coverage for its' employees; this amount will remain the same for 2013.

**D. Employee Medical Benefits**

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

The cost of the program for 2012 was \$84,077 compared to \$102,817 in 2011. This shows a slight decrease primarily due to changes in numbers of full-time staff taking the insurance and premium changes.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**6. DEFINED BENEFIT PENSION PLANS**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.
2. 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% 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.
3. 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, but less than, 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.

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. 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>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Funding Policy** – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The 2012 member contribution rates were 10.00% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 11.50% and 12.10%, respectively. Effective January 1, 2013, the member contribution rates for public safety and law enforcement members increased to 12.00% and 12.60% respectively. The 2012 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 18.10% of covered payroll.

The Health District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2012, 2011, and 2010 were \$61,095, \$66,452, and \$51,121, respectively. The full amount has been contributed for 2012, 2011, and 2010. Contributions to the Member-Directed Plan for 2011 were \$2,155 made by the Health District and \$1,539 made by plan members.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**7. POST EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional 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-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan 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>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Funding Policy** - The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care coverage. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.00% of covered payroll and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**7. POST EMPLOYMENT BENEFITS (CONTINUED)**

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

The Health District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012 and 2011, were \$3,034, and \$3,300 respectively; 100 percent has been contributed for both years.

**8. 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.

**9. CONTRACTUAL OBLIGATIONS**

The Health District is a party to a multi-year lease for rental of office space. This lease was renewed in January 2011. This lease requires the District to remit quarterly payments in the amount of \$6,813.

**10. FUND BALANCES**

A. Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below

	<b>General Fund</b>	<b>WIC Grant</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Restricted for:</b>				
WIC Administration		\$3,669		
Health Grants			\$25,967	
Immunization Action Plan			15,169	
Food Service			11,994	
Sewage Program			11,425	
Swimming Pool			4,919	
Children's Abuse Prevention			1,981	
Solid Waste Management			785	
Help Me Grow			659	
<b>Total Restricted</b>		<b>3,669</b>	<b>72,899</b>	<b>\$76,568</b>

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)**

**10. FUND BALANCES (Continued)**

**Assigned for:**

Future Appropriations	\$69,814			69,814
State Fees	8,130			8,130
Supplies	2,700			2,700
Travel	1,950			1,950
Rent	550			550
Telephones	500			500
Other expenses	1,033			1,033
Total Assigned	<u>84,677</u>			<u>84,677</u>
Unassigned	<u>438,027</u>			<u>438,027</u>
Total Fund Balance	<u>\$522,704</u>	<u>\$3,669</u>	<u>\$72,899</u>	<u>\$599,272</u>

- B.** The beginning fund balance of the Other Governmental Funds column in the fund statements was modified due to the MRC PHEP/PHER Grant fund no longer being reported as a major fund. Upon adding the aforementioned fund to the Other Governmental Funds, the restated beginning balance changed from \$53,922 to \$70,626.



**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)**

This discussion and analysis of the Champaign Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2011, within the limitations of the Health District's cash basis of accounting. 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 enhance their understanding of the Health District's financial performance.

**Highlights**

Key highlights for 2011 are as follows:

- Net assets from all governmental activities decreased by \$11,165, a change predominantly due to the decrease in grant dollars and decrease in state subsidy.
- Program specific receipts in the form of charges for services, operating grants and contributions, and contract services comprise the largest percentage of the Health District's receipts, making up almost 56 percent of all the dollars coming into the District. General receipts in the form of unrestricted grants make up the other 44 percent. This is a shift from 2010 with an almost even split as opposed to a 64 – 36 percent respectively.
- The Health District had \$1,016,942 in disbursements during 2011.
- Grant revenue decreased by \$221,963; this is due to decreased amounts in the Public Health Emergency Response grant, decreases in the WIC program, and an elimination of the Help Me Grow grant.

**Using the Basic Financial Statements**

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

**Report Components**

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

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

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

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)  
(Continued)**

**Basis of Accounting**

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

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

**Reporting the Health District as a Whole**

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

The statement of net assets and the statement of activities reflect how the Health District did financially during 2011 within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Health District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's services, and grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

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

When evaluating the Health District's financial condition, you should also consider other non-financial factors. Such as, the extent of the Health District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in in-side millage as a local revenue source.

In the statement of net assets and the statement of activities, all Health District activities are reported as governmental. State and federal grants, fees, and inside millage finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them; particularly in the personal health services division. The Health District has no business-type activities.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)  
(Continued)**

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

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

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

The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Health District's major Governmental funds are the General Fund, the Public Health Infrastructure/Emergency Response Fund, and the WIC Fund. The programs reported in Governmental funds are closely related to those reported in the Governmental Activities section of the entity-wide statements.

**The Health District as a Whole**

Table 1 provides a summary of the Health District's net assets for 2011 on a cash basis. A comparative analysis will be presented.

**(Table 1)  
Net Assets**

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$531,405	\$542,570
Total Assets	<u>531,405</u>	<u>542,570</u>
<b>Net Assets:</b>		
<b>Restricted for:</b>		
Restricted	80,256	127,217
Unrestricted	451,149	415,353
Total Net Assets	<u>\$531,405</u>	<u>\$542,570</u>

As mentioned previously, net assets of all governmental activities decreased by \$11,165 during 2011. The primary reasons contributing to the decreases in cash balances are as follows:

- State Subsidy
- Public Health Emergency Response Grant

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)  
(Continued)**

Table 2 reflects the changes in net assets in 2011. A comparative analysis of District-wide data is presented.

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

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
<b>Receipts:</b>		
<b>Program Receipts:</b>		
Charges for Services and Sales	\$ 290,685	\$ 276,793
Operating Grants and Contributions	273,115	495,078
Total Program Receipts	<u>563,800</u>	<u>771,871</u>
<b>General Receipts:</b>		
Revenue from Subdivisions	168,500	168,500
State Subdivisions	6,967	6,810
Levy	266,510	259,592
Total General Receipts	<u>441,977</u>	<u>434,902</u>
Total Receipts	<u>1,005,777</u>	<u>1,206,773</u>
<b>Disbursements:</b>		
<b>Environmental Health:</b>		
Food Program	81,682	81,412
Solid Waste	5,243	5,267
Swimming Pools	3,169	3,238
MHP/Camps	10,385	4,515
Plumbing	24,235	21,392
Sewage	37,781	40,552
Other Environmental Health	144,770	149,378
Personal Health Services	154,198	68,899
Immunizations	18,440	14,609
Laboratory	8,358	2,734
<b>Grants:</b>		
WIC	149,070	139,553
Help Me Grow/CFHS	8,893	50,556
IAP	22,175	20,913
MRC	3,160	5,247
Public Health Emergency Preparedness	128,523	248,879
Vital Statistics	26,852	24,324
Child Abuse Prevention	6,174	4,730
Administration	118,811	190,040
Travel/Training	20,118	17,086
County Auditor/Treasurer Fee	7,338	
Rent/Maintenance Phones	37,567	
Total Disbursements	<u>1,016,942</u>	<u>1,093,324</u>
Increase (Decrease) in Net Assets	(11,165)	113,449
Net Assets, January 1	<u>542,570</u>	<u>429,121</u>
Net Assets, December 31	<u><u>\$531,405</u></u>	<u><u>\$ 542,570</u></u>

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)  
(Continued)**

General receipts represent 44 percent of the Health District's total receipts, and of this amount, 38 percent are local taxes (revenue from subdivisions) provided by each municipality and District in the county. Levy dollars represent 60 percent of general receipts, with the remaining amount at less than 2 percent provided by the State Subsidy at less than \$0.17 per capita.

Disbursements for the Health District represent the overhead costs of running the Health District and the support services provided for the other District activities. These include primarily the costs of personnel and personnel support at 76 percent of total disbursements, as the primary product of the Health District is preventive health services which are labor-intensive.

Capital outlay signifies the disbursements for equipment for use in administering the Health District's services. There were no significant equipment purchases during 2011, with the total equipment purchases at only 1 percent of all disbursements.

**Governmental Activities**

If you look at the Statement of Activities on page 38, you will see that the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Health services.

The Net Cost (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service that ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts that are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3. All grants (IAP, WIC, Help Me Grow, CFHS, and Public Health Emergency Preparedness) have a zero net cost to the health district, in 2008 all grant funds were separated from one general fund; any apparent net costs to the district are not real and should be attributed to changes in accounting practices, carryover, and differing fiscal years.

**Table 3**

	<b>Cash Disbursements</b>	<b>Net Cost of Services</b>
<b>Governmental Activities:</b>		
<b>Environmental Health:</b>		
Food Program	\$ 81,682	(\$10,451)
Solid Waste	5,243	(987)
Swimming Pools	3,169	146
MHP/ Camps	10,385	(4,707)
Plumbing	24,235	(2,874)
Sewage	37,781	(5,171)
Other Environmental Health	144,770	(127,979)
Personal Health Services	154,198	(115,440)
Immunizations	18,440	15,439
Laboratory	8,358	(963)

(Continued)

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)  
(Continued)**

**Table 3  
(Continued)**

	<b>Cash Disbursements</b>	<b>Net Cost of Services</b>
<b>Grants:</b>		
WIC	149,070	(38,727)
Help Me Grow/CFHS	8,893	6,157
IAP	22,175	6,825
MRC	3,160	1,840
Public Health Emergency	128,523	(9,241)
Vital Statistics	26,852	7,569
Child Abuse Prevention	6,174	2,646
Administration	118,811	(112,553)
Travel/Training	20,118	(20,118)
County Auditor/Treasurer Fee	7,338	(7,338)
Rent/Maintenance/Phones	37,567	(37,567)
Other Health		352
Total Governmental Activities	<u>\$1,016,942</u>	<u>(\$453,142)</u>

**The Health District's Funds**

Total Governmental funds had receipts of \$1,005,777 and disbursements of \$1,016,942.

Receipts were more than disbursements in one of the Health District's funds, mainly due to the increase in BCMH revenue and increased efficiency of immunization billing. In the Environmental Health division most of the services are provided for a fee based on current cost methodologies. However, even with adjustments to fees during 2011 the division is not self-funded and requires monies from the general fund. In the Nursing and Personal Health Services division, most of the services provided are not fee based and are wholly funded via the general fund. All of the grants received by the district except the Immunization Action Planning grant have differing fiscal years, therefore while it appears there are more expenditures than receipts this is not true at the end of each grant year.

**General Fund Budgeting Highlights**

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

During 2011, the Health District amended its General and Special Revenue fund budgets to reflect changing circumstances. The addition of the CFHS grant required an Amended Certificate of Estimated Resources.

Revenues for General Fund were originally budgeted at \$534,413, amended to \$602,053, and actual revenue was \$606,869. Revenues in the nursing and personal health programs were slightly increased due to contractual agreement for New Born Home Visiting, Diabetes education, and revenue for Medicaid/Medicare reimbursement was significantly increased due to higher priority of billing and receipt of funds. Revenues for the Public Health Infrastructure/Emergency Response Fund were originally budgeted at \$85,714, amended to \$124,282, and actual revenue was \$124,281; increasing primarily as a result of additional grants money to continue preparedness activities related to pandemic flu. Revenues for WIC were originally budgeted at \$160,904, amended to \$110,343, and actual revenue of \$110,344 due to changes in grant funding for services provided.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)  
(Continued)**

Disbursements for General Fund were originally budgeted at \$558,300, amended to \$585,801, and actual disbursements were \$574,220; an employee employed under the previous personnel policies and procedures retired in 2011 necessitating an \$18,603 pay out of leave balances. Disbursements for the Public Health Infrastructure/Emergency Response Fund were originally budgeted at \$96,474, amended to \$136,149, and actual disbursements were \$132,226; this change primarily due to the Public Health Emergency Response monies provided to the district for Pandemic H1N1 response. Disbursements for WIC were originally budgeted at \$153,790, amended to \$158,551, and actual disbursements of \$149,070. The Health District kept overall spending within four percent of budgeted accounts.

**Capital Assets**

The Health District does not currently keep track of its capital assets and infrastructure. The Health District has not made plans to track this, as it is not required by current law. The Health District does not own land or other real estate at this time.

**Debt**

At December 31, 2011, the Health District's outstanding debt included future lease payments for the office facility and copier equipment, as well as accumulated leave balances for the Health District's employees. For further information regarding the Health District's rental lease, refer to the note 9 to the basic financial statements.

**Current Issues**

The challenge for all Health Districts is to provide high quality preventive health services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Health District relies heavily on inside millage from the cities, townships, and villages and state level grant funds; as the inside millage and the grant funds are fairly fixed we continue to struggle with the increase in operating expenses primarily in personnel costs. Without a significant change in these resources, even with conservative spending, the Health District will continue to see a decrease in financial stability. The District successfully passed a 0.4 mil levy in November 2007, this additional funding in 2008 through 2012 will assure that basic service provision can continue even with shrinkage of grant funding.

**Contacting the Health District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Health District's finances and to reflect the Health District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jeff Webb, Acting Health Commissioner, Champaign Health District, 1512 S. US Highway 68, Suite Q100, Urbana, OH 43078.

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CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2011

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$531,405
Total Assets	<u>531,405</u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Other Purposes	80,256
Unrestricted	451,149
Total Net Assets	<u>\$531,405</u>

*See accompanying notes to the basic financial statements.*

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Program Receipts</u>		<u>Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
			<u>Governmental Activities</u>
<b>Governmental Activities:</b>			
Environmental Health			
Food Program	\$81,682	\$71,231	(\$10,451)
Solid Waste	5,243		(987)
Swimming Pools	3,169	3,315	146
MHP/ Camps	10,385	5,678	(4,707)
Plumbing	24,235	21,361	(2,874)
Sewage	37,781	32,610	(5,171)
Other Environmental Health	144,770	16,791	(127,979)
Personal Health Services	154,198	38,758	(115,440)
Immunizations	18,440	33,879	15,439
Laboratory	8,358	7,395	(963)
Grants			
WIC	149,070	11	110,332 (38,727)
Help Me Grow/CFHS	8,893		15,050 6,157
IAP	22,175	8,365	20,635 6,825
MRC	3,160		5,000 1,840
Public Health Emergency	128,523	1,440	117,842 (9,241)
Vital Statistics	26,852	34,421	7,569
Child Abuse Prevention	6,174	8,820	2,646
Administration	118,811	6,258	(112,553)
Travel/Training	20,118		(20,118)
County Auditor/Treasurer Fee	7,338		(7,338)
Rent/Maintenance/Phones	37,567		(37,567)
Other Health		352	352
<b>Total Governmental Activities</b>	<u>\$1,016,942</u>	<u>\$290,685</u>	<u>\$273,115 (453,142)</u>
<b>General Receipts:</b>			
			266,510
			168,500
			6,967
			<u>441,977</u>
			(11,165)
			<u>542,570</u>
			<u>\$531,405</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

	<u>General</u>	<u>MRC PHEP/PHER Grant</u>	<u>WIC Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$451,149	\$16,703	\$9,630	\$53,923	\$531,405
Total Assets	<u>451,149</u>	<u>16,703</u>	<u>9,630</u>	<u>53,923</u>	<u>531,405</u>
<b>Fund Balances:</b>					
Non-spendable					
Restricted		16,703	9,630	53,923	80,256
Assigned	3,147				3,147
Unassigned	448,002				448,002
Total Fund Balances	<u>\$451,149</u>	<u>\$16,703</u>	<u>\$9,630</u>	<u>\$53,923</u>	<u>\$531,405</u>

*See accompanying notes to the basic financial statements.*

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>General</b>	<b>MRC PHEP/PHER Grant</b>	<b>WIC Grant</b>	<b>Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Receipts:</b>					
State Funds	\$6,967				\$6,967
<b>Grants:</b>					
Local				\$4,256	4,256
Federal		\$122,842	\$110,332	35,685	268,859
Levy	266,510				266,510
Subdivisions	168,500				168,500
Fines, Licenses and Permits: Environmental	43,831			107,156	150,987
Nursing Fees	53,130			1,917	55,047
Medicaid/Medicare	7,158			6,448	13,606
Vital Statistic Fees	34,421			8,820	43,241
Charges for Services	7,395				7,395
Contracts	18,605				18,605
Donations	1				1
Reimbursements	351	1,439	11	2	1,803
<b>Total Receipts</b>	<b>606,869</b>	<b>124,281</b>	<b>110,343</b>	<b>164,284</b>	<b>1,005,777</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Salaries - Employees	294,031	46,771	100,573	102,208	543,583
Sick Leave Vacation Payoff	18,603				18,603
Group Insurances	53,361	8,717	20,052	20,687	102,817
Medicare	4,409	641	1,425	1,352	7,827
PERS	42,545	6,452	13,983	14,382	77,362
Workers Compensation	11,048	2,057	3,358	4,972	21,435
Supplies -Office and program speciofic	10,712	6,839	1,638		19,189
Supplies - Postage	6,376				6,376
Supplies - Medical	10,637				10,637
Supplies - Vaccine	18,440				18,440
Equipment		11,674			11,674
Client Incentive/Health Promotion		1,318			1,318
Rent/Maintenance Building	26,525		6,284	712	33,521
Rent/Lease Equipment	5,150				5,150
Insurance Liability	5,961				5,961
Telephone	5,893	5,932	1,032	288	13,145
Audit	2,916				2,916
Advertising and Printing/Binding	694				694
Travel/ Training/ Dues / Membership	20,118	3,664	725	5,532	30,039
Consulting/ Contracts		37,024			37,024
Refunds	337	594		3,062	3,993
Fees - Lab/State	3,133				3,133
Fees - Vital Statistics	17,226			6,174	23,400
Fees - State Remittances	5,225			5,747	10,972
Fees- County Auditor	7,338				7,338
Unanticipated Emergency	395				395
<b>Total Disbursements</b>	<b>571,073</b>	<b>131,683</b>	<b>149,070</b>	<b>165,116</b>	<b>1,016,942</b>
Excess of Receipts Over (Under) Disbursements	35,796	(7,402)	(38,727)	(832)	(11,165)
Fund Balances Beginning of Year	415,353	24,105	48,357	54,755	542,570
Fund Balances End of Year	\$451,149	\$16,703	\$9,630	\$53,923	\$531,405

See accompanying notes to the basic financial statements

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<b>Receipts:</b>				
State Funds	\$6,800	\$6,800	\$6,967	\$167
<b>Grants:</b>				
Levy	257,185	260,912	266,510	5,598
Subdivisions	168,500	168,500	168,500	
Fines, Licenses and Permits: Environmental	34,200	45,278	43,831	(1,447)
Nursing Fees	29,500	50,010	53,130	3,120
Medicaid/Medicare	7,000	7,000	7,158	158
Vital Statistic Fees	20,300	33,915	34,421	506
Charges for Services	7,056	7,056	7,395	339
Donations			1	1
Reimbursements	1,872	1,872	351	(1,521)
Contracts		18,710	18,605	(105)
Miscellaneous	2,000	2,000		(2,000)
<b>Total Receipts</b>	<u>534,413</u>	<u>602,053</u>	<u>606,869</u>	<u>4,816</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	283,885	297,494	294,031	3,463
Sick Leave Vacation Payoff	10,000	18,603	18,603	
Group Insurances	55,632	55,632	53,361	2,271
Medicare	4,116	4,416	4,409	7
PERS	39,744	42,545	42,545	
Workers Compensation	12,775	11,048	11,048	
Supplies -Office and program speciofic	20,579	13,823	10,912	2,911
Supplies - Postage	3,244	6,594	6,376	218
Supplies - Medical	15,758	11,758	10,637	1,121
Supplies - Vaccine	15,000	19,836	19,387	449
Equipment	2,100			
Repair/Maintenance	4,000			
Rent/Maintenance Building	25,965	26,525	26,525	
Rent/Maintenance equipment	5,300	5,300	5,150	150
Insurance Liability	4,400	5,961	5,961	
Telephone	4,557	6,348	6,443	(95)
Advertising	3,000	1,200	794	406
Travel/ Training/ Dues / Membership	22,841	21,141	21,218	(77)
Audit Charges	6,000	2,916	2,916	
Refunds	250	750	337	413
Fees - County Auditor		7,470	7,338	132
Fees - Lab/State	5,154	7,754	8,508	(754)
Fees - Vital Statistics	9,000	16,900	17,326	(426)
Unanticipated Emergency/Transfer Out	5,000	1,787	395	1,392
<b>Total Disbursements</b>	<u>558,300</u>	<u>585,801</u>	<u>574,220</u>	<u>11,581</u>
Excess of Receipts Over (Under) Disbursements	<u>(23,887)</u>	<u>16,252</u>	<u>32,649</u>	<u>16,397</u>
Prior Year Encumbrances Appropriated	7,491	7,491	7,491	
Fund Balances Beginning of Year	<u>407,862</u>	<u>407,862</u>	<u>407,862</u>	
Fund Balances End of Year	<u>\$391,466</u>	<u>\$431,605</u>	<u>\$448,002</u>	<u>\$16,397</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
PUBLIC HEALTH EMERGENCY PREPAREDNESS/MEDICAL RESERVE CORP.  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
MRC	\$5,000	\$5,000	\$5,000	
Public Health Emergency Preparedness	79,648	80,362	80,362	
Public Health Emergency Response I & II		7,260	7,260	
Public Health Emergency Response III		30,220	30,220	
Reimbursement	1,066	1,440	1,439	(\$1)
Total Receipts	<u>85,714</u>	<u>124,282</u>	<u>124,281</u>	<u>(1)</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	35,527	46,771	46,771	
Group Insurances	10,238	8,717	8,717	
Medicare	515	645	641	4
PERS	4,974	6,464	6,452	12
Workers Compensation	1,599	2,549	2,057	492
Supplies -Office and program speciofic	5,372	6,699	6,839	(140)
Equipment/Software	1,919	11,771	11,674	97
Software Modification		2,553	1,318	1,235
Telephone	6,460	6,565	5,932	633
Advertising		2,500		2,500
Travel/ Training/ Dues / Membership	2,010	5,363	4,207	1,156
Return grant funds to ODH		595	594	1
Consulting/ Contracts	27,860	34,957	37,024	(2,067)
Total Disbursements	<u>96,474</u>	<u>136,149</u>	<u>132,226</u>	<u>3,923</u>
Excess of Receipts Over (Under) Disbursements	(10,760)	(11,867)	(7,945)	3,922
Prior Year Encumbrances Appropriated	5,646	5,646	5,646	
Fund Balances Beginning of Year	<u>18,459</u>	<u>18,459</u>	<u>18,459</u>	
Fund Balances End of Year	<u>\$13,345</u>	<u>\$12,238</u>	<u>\$16,160</u>	<u>\$3,922</u>

*See accompanying notes to the basic financial statements.*

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
WOMEN, INFANTS, AND CHILDREN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Receipts:</b>				
WIC - Intergovernmental	\$160,904	\$110,343	\$110,343	
Total Receipts	<u>160,904</u>	<u>110,343</u>	<u>110,343</u>	
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	109,833	104,821	100,573	\$4,248
Group Insurances	10,410	20,488	20,052	436
Medicare	1,593	1,580	1,425	155
PERS	15,377	15,257	13,983	1,274
Workers Compensation	4,942	4,675	3,358	1,317
Supplies -Office and program speciofic	2,039	2,798	1,638	1,160
Rent/phones	7,436	7,796	7,316	480
Travel/ Training/ Dues / Membership	1,100	1,136	725	411
Consulting/Contracts	1,060			
Total Disbursements	<u>153,790</u>	<u>158,551</u>	<u>149,070</u>	<u>9,481</u>
Net Change in Fund Balances	7,114	(48,208)	(38,727)	9,481
Prior Year Encumbrances Appropriated	149	149	149	
Fund Balances Beginning of Year	<u>48,208</u>	<u>48,208</u>	<u>48,208</u>	
Fund Balances End of Year	<u>\$55,471</u>	<u>\$149</u>	<u>\$9,630</u>	<u>\$9,481</u>

*See accompanying notes to the basic financial statements*

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**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. REPORTING ENTITY**

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

A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

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

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include vital statistics, prevention and control of disease, immunization clinics, public health nursing services, inspections, the issuance of health-related licenses and permits, sanitation, abatement and removal of nuisances, and emergency response planning.

**B. Component Units**

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; or the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Health District, are accessible to the Health District and are significant in amount to the Health District. The Health District includes no component units.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. 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.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. 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. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and contract services rendered for a program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

**2. 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. Non-major 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. Funds are used to segregate resources that are restricted as to use. All of the funds of the Health District are governmental.

**1. Governmental Funds**

Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

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.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Public Health Emergency Preparedness Grant Fund, the Immunization Action Plan Grant Fund, the CFHS Fund, and the WIC Grant Fund account for State and Federal grant money used to provide programs in Champaign County. The WIC funds are predominantly for early childhood issues including nutrition, early detection and intervention. The CFHS fund is new to the district this year; the funding is being used to complete a comprehensive Community Health Assessment and Health Improvement planning. The Public Health Infrastructure/Emergency Response Fund includes the Public Health Emergency Preparedness, Public Health Emergency Response, and Medical Reserve CORP's funds, which are used to provide public health emergency preparedness and volunteer recruitment activities for the county. The Immunization Action Plan fund is used to provide immunization and immunization education for families of children birth through thirty five months. Each of these funds is restricted for a particular purpose.

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

**C. Basis of Accounting**

The Health District's financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, function, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and Health Districts within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and Health Districts within the district if the filing has not been made.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**E. Cash and Investments**

The Champaign County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Champaign County Auditor, 1512 S. US Highway 68, Suite B300, Urbana, Ohio 43078, (937) 484-1600.

**F. Restricted Assets**

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Interfund Receivables/Payables**

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Accumulated Leave**

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

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Long-Term Obligations**

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**M. Fund Balance Reserves**

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

**Non-spendable** - The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are 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.

**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 of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health 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, the 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 of Health, 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.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assigned** - Amounts in the assigned fund balance classification are intended to be used by the Health District 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 of Health or a Health District official delegated that authority by resolution, or by State Statute.

**Unassigned** - Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Health District 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.

**N. Interfund Transactions**

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

**3. BUDGETARY BASIS OF ACCOUNTING**

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

General Fund	\$ 3,147
<b>Major Special Revenue Funds:</b>	
Health Grant Fund	543

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**4. INTERGOVERNMENTAL AND LEVY FUNDING**

The County apportions the excess of the Health District's appropriations over other estimated receipts among the Districts and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as Subdivision revenue.

**5. RISK MANAGEMENT**

**A. Commercial Insurance**

The Health District has obtained commercial insurance for the following risks:

- Employee health insurance
- Errors and omissions.

**B. Risk Pool Membership**

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.

**1. 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.

**2. 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):

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

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**5. RISK MANAGEMENT (Continued)**

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 \$6,000.

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

<b>Contributions to PEP</b>	
2008	\$3,952
2009	4,336
2010	5,196
2011	5,961

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

**C. County Commissioner Association of Ohio Workers' Compensation Group Rating**

For 2011, the Health District, through Champaign County as their fiscal agent, participated in the State of Ohio Worker's Compensation system. The Health District budgets 4.5% of wages to provide Workers' Compensation coverage for its employees; this amount will remain the same for 2012.

**D. Employee Medical Benefits**

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

The cost of the program for 2011 was \$102,817 compared to \$92,021 in 2010. This shows a slight increase primarily due to changes in numbers of full-time staff and premium changes.



**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**6. DEFINED BENEFIT PENSION PLANS**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.
2. 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% 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.
3. 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, but less than, 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.

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. 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, OH 43215-4642, or calling 614-222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The 2011 member contribution rates were 10.0% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 11.0% and 11.6%, respectively. The 2011 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 18.10% of covered payroll.

The Health District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2011, 2010 and 2009 were \$66,452, \$51,121, and \$52,277 respectively. The full amount has been contributed for 2011, 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$2,343 made by the Health District and \$1,674 made by plan members.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**7. POST EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional 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-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. 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, OH 43215-4642, or calling 614-222-5601 or 1-800-222-7377.

**Funding Policy** - The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.00% of covered payroll and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**7. POST EMPLOYMENT BENEFITS (Continued)**

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

The Health District's contributions allocated to fund post-employment health care benefits for the year ended December 31, 2011, were \$3,300; 100 percent has been contributed.

**8. 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.

**9. CONTRACTUAL OBLIGATIONS**

The Health District is a party to a multi-year lease for rental of office space. This lease was initiated August 1, 2005 and is renewable through July 31, 2010 (Renewed in January 2011). This lease requires the District to remit quarterly payments in the amount of \$6,813.

**10. CHANGE IN ACCOUNTING PRINCIPLE**

For 2011, the Health District implemented Governmental Accounting Standard 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 comprise 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 GASB Statement No. 54 had no effect on fund balances of the major governmental funds and all other governmental funds.

**11. FUND BALANCES**

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below

**CHAMPAIGN HEALTH DISTRICT  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**11. FUND BALANCES (Continued)**

	<b>General Fund</b>	<b>MRC PHEP/PHER Grant</b>	<b>WIC Grant</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Restricted for:</b>					
Health Grants		\$16,703			\$ 16,703
WIC Administration			\$9,630		9,630
Help Me Grow				\$10,438	10,438
Child Abuse Prevention				10,359	10,359
Immunization Action Plan				10,272	10,272
Sewage Program				8,791	8,791
Food Service				7,729	7,729
Swimming Pool				4,950	4,950
Solid Waste Mgmt.				1,384	1,384
<b>Total Restricted</b>		<u>16,703</u>	<u>9,630</u>	<u>53,923</u>	<u>80,256</u>
<b>Assigned for:</b>					
Supplies	\$ 1,147				1,147
Travel	1,100				1,100
Telephones	550				550
Other expenses	350				350
<b>Total Assigned</b>	<u>3,147</u>				<u>3,147</u>
Unassigned	<u>448,002</u>				<u>448,002</u>
<b>Total Fund Balance</b>	<u><u>\$451,149</u></u>	<u><u>\$16,703</u></u>	<u><u>\$9,630</u></u>	<u><u>\$53,923</u></u>	<u><u>\$531,405</u></u>



# Dave Yost • Auditor of State

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

Champaign Health District  
Champaign County  
1512 S. US Highway 68, Suite Q100  
Urbana, Ohio 43078

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Champaign Health District, Champaign County, (the District) as of and for the year ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 20, 2013, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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*.

### **Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

March 20, 2013



# Dave Yost • Auditor of State

**CHAMPAIGN COUNTY DISTRICT BOARD OF HEALTH**

**CHAMPAIGN 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  
MAY 9, 2013**