



**Auditor of State
Betty Montgomery**

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of the Board:

We have audited the accompanying financial statement of the Clark County Combined Health District (the District) as of and for the year ended December 31, 2003. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As discussed in Note 1, the District prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 2003, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

September 9, 2004

**CLARK COUNTY COMBINED HEATH DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Federal awards		\$605,266		\$605,266
State Funds	272,071	1,303,398		1,575,469
Tax Levies	1,808,928			1,808,928
Vital Statistics Fees	244,209			244,209
Fees	300	28,332		28,632
Nursing Fees	143,026			143,026
Licenses		324,402		324,402
Permits		255,845		255,845
Other Receipts	61,962	1,589		63,551
Total Cash Receipts	<u>2,530,496</u>	<u>2,518,832</u>		<u>5,049,328</u>
Cash Disbursements:				
Salaries - Employees	1,107,025	1,113,326		2,220,351
Supplies	144,373	11,772		156,145
Equipment	3,360	15,431		18,791
Contracts	135,420	603,172		738,592
Capital Improvements	5,000			5,000
Travel and Expenses	46,327	27,388		73,715
State Remittances		22,796		22,796
Administrative Costs		17,396		17,396
Lactation (Grant)	5,936			5,936
Wraparound		6,888		6,888
Vital Statistics	85,092			85,092
Advertising and Printing	10,193			10,193
Public Employee's Retirement	187,409	182,526		369,935
Medicare	12,419	12,682		25,101
Dental	5,224	4,693		9,917
Fringe Benefits	205,584	252,574		458,158
Maintenance	118,242	215,395		333,637
Marketing & Public Relations	3,257			3,257
Utilities	29,756	4,221		33,977
Other Expenses		35,150		35,150
Total Disbursements	<u>2,104,617</u>	<u>2,525,410</u>		<u>4,630,027</u>
Total Receipts Over/(Under) Disbursements	<u>425,879</u>	<u>(6,578)</u>		<u>419,301</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	95,313	244,432		339,745
Advances-In	60,200	43,500		103,700
Transfers-Out	(240,396)	(99,349)		(339,745)
Advances-Out	(43,500)	(60,200)		(103,700)
Total Other Financing Receipts/(Disbursements)	<u>(128,383)</u>	<u>128,383</u>		
Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	297,496	121,805		419,301
Fund Cash Balances, January 1	515,367	518,164	86,604	1,120,135
Fund Cash Balances, December 31	<u>\$812,863</u>	<u>\$639,969</u>	<u>\$86,604</u>	<u>\$1,539,436</u>
Reserves for Encumbrances, December 31	<u>\$66,389</u>	<u>\$164,018</u>		<u>\$230,407</u>

The notes to the financial statements are an integral part of this statement.

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**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Clark County Combined Health District (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under the direction of a seven-member Board. The County Auditor and County Treasurer are responsible for fiscal control of the resources of the District. Services provided by the District include: prevention and restriction of diseases, sanitation, vital statistics, abatement and removal of nuisances, and air pollution control.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

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

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

TANF Fund – Revenue is derived from contract services. Funds are used to support the activities of Help Me Grow programs.

3. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the District is acting in an agency capacity. The District had the following significant Fiduciary Funds:

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expendable Trust Fund – The Board of Health holds, in trusts, funds from Clark County and the City of Springfield to pay former worker's severance when they retire or separate from the District.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2003 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the year 2003 ended follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,882,602	\$2,686,009	(\$196,593)
Special Revenue	3,172,884	2,806,764	(366,120)
Fiduciary	86,604	0	(86,604)
Total	<u>\$6,142,090</u>	<u>\$5,492,773</u>	<u>(\$649,317)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,483,524	\$2,454,902	\$28,622
Special Revenue	2,982,136	2,848,977	133,159
Fiduciary	0	0	0
Total	<u>\$5,465,660</u>	<u>\$5,303,879</u>	<u>\$161,781</u>

3. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2003. The District has paid all contributions required through December 31, 2003.

4. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2003**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Disbursements</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
(Passed through Ohio Department of Health)			
Lead Poisoning Prevention Grant	12-1-001-1-BD-03	93.197	\$62,490
	12-1-001-1-BD-04		26,839
Total Lead Poisoning Prevention Grant			<u>89,329</u>
Immunization Action Plan	12-1-001-P-AZ-02	93.268	3,730
	12-1-001-P-AZ-03		45,473
Total Immunization Action Plan			<u>49,203</u>
Ohio Infant Mortality Reduction Initiative Grant	12-1-001-1-DM-03	93.994	121,048
	12-1-001-1-DM-04		34,543
Total Ohio Infant Mortality Reduction Initiative Grant			<u>155,591</u>
Abstinence Education Grant	12-1-00-1-4-CS-03	93.235	124,908
	12-1-001-4-CS-04		10,022
Total Abstinence Education Grant			<u>134,930</u>
Public Health Infrastructure Grant	12-1-001-2-BI-03	93.283	112,526
	12-1-001-2-BI-04		49,818
Total Public Health Infrastructure Grant			<u>162,344</u>
Total U.S. Department of Health and Human Services			591,397
U.S. ENVIRONMENTAL PROTECTION AGENCY			
(Passed through Ohio Department of Education)			
State Indoor Radon Grant	12-0-01-2-BA-03	66.032	13,745
	12-0-01-2-BA-04		2,070
Total US Department of Environmental Protection Agency			<u>15,815</u>
U.S. DEPARTMENT OF PUBLIC SAFETY			
(Passed through Ohio Department of Public Safety)			
Safe Communities Grant	12-0-00-CHD-3022.0	20.600	27,885
	12-0-00-CHD-4146.0		13,036
Total U.S. Department of Public Safety			<u>40,921</u>
Total Federal Assistance			<u><u>\$648,133</u></u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*.

NOTE B -- MATCHING REQUIREMENTS

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

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To Members of the Board:

We have audited the accompanying financial statement of the Clark County Combined Health District (the District) as of and for the year ended December 31, 2003, and have issued our report thereon dated September 9, 2004. We conducted our audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated September 9, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management in a separate letter dated September 6, 2004.

This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

September 9, 2004



**Auditor of State
Betty Montgomery**

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

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

To Members of the Board:

Compliance

We have audited the compliance of the Clark County Combined Health District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

September 9, 2004

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #93.283: Public Health Infrastructure Grant
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



**Auditor of State
Betty Montgomery**

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CLARK COUNTY COMBINED HEALTH DISTRICT

CLARK COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 5, 2004**