

GREENE COUNTY COMBINED HEALTH DISTRICT

GREENE COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2006

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Board of Health
Greene County Combined Health District
360 Wilson Drive
P.O. Box 250
Xenia, Ohio 45385

We have reviewed the *Report of Independent Accountants* of the Greene County Combined Health District, Greene County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Greene County Combined Health District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 15, 2007

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GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
AUDIT REPORT
For the year ended December 31, 2006

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Greene County Combined Health District
360 Wilson Drive
P.O. Box 250
Xenia, Ohio 45385

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Combined Health District (the District), as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of December 31, 2006, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, Clinical Health Services Fund, Environmental Plumbing and Inspection Fund and Food Service Operations Fund thereof for the year then ended in conformity with accounting basis Note 2 describes.

The management's discussion and analysis on pages 3 to 6 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2007 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, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for the purposes of 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 basic financial statements. Such information as been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Charles E. Harris & Associates, Inc.

June 19, 2007

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(UNAUDITED)**

This discussion and analysis of the Greene County Combined Health District's (the District) financial performance provides an overall review of the financial activities for the year ended December 31, 2006 within the limits of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2006 are as follows:

- Total net assets increased by \$172,225, or 9.6 % during 2006.
- Most of the District's revenue was associated with intergovernmental funding, from local, state and federal Sources.

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 District's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about District's cash position and the changes in cash position at the entity wide level. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in cash basis fund balances report the District's cash position and the changes in cash position by major fund. The statements of cash receipts, disbursements and changes in cash basis fund balance budget-and-actual-budget basis provides original and final budgeted amounts, with variances reflecting comparison of final budgeted amounts with actual receipts and expenditures. The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. These financial statements follow the cash basis of accounting.

The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts are recognized when received (in cash), rather than when earned, and disbursements when paid, rather than when a liability is incurred.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivables) 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.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006.
(UNAUDITED)**

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2006 within the limits of cash basis accounting. The statement of net assets presents the cash balances of the District at year end. The statement of activities presents the revenue and disbursement activity during 2006.

Table 1 provides a summary of the District's net assets for 2006 compared to 2005.

**TABLE 1
NET ASSETS
DECEMBER 31, 2006**

	Governmental Activities 2006	Governmental Activities 2005
Assets:		
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,967,425</u>	<u>\$ 1,795,200</u>
Total Assets	<u>\$ 1,967,425</u>	<u>\$ 1,795,200</u>
Net Assets:		
Restricted for:		
Other Purposes	545,613	532,478
Unrestricted	<u>1,421,812</u>	<u>1,262,722</u>
Total Net Assets	<u>\$ 1,967,425</u>	<u>\$ 1,795,200</u>

As mentioned previously, net assets increased by \$172,225 during 2006. The increase was primarily associated with funds restricted for specific grants and programs.

FUND FINANCIAL STATEMENTS REPORTING MAJOR FUNDS

The major funds of the District include the General Health Fund, Clinic Health Services Fund, Environmental/Plumbing Inspection Fund, and Food Service Operations Fund. The statement of cash basis, assets and fund balances and the statement of cash receipts, disbursements and changes in cash basis fund balances report the District's cash position and the changes in cash position by major fund. Keeping the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial strength. Over time, increases or decreases in the District's cash position is one indicator of the District's financial strength is improving or deteriorating. When evaluating the District's financial condition, you should also consider other financial factors such as the reliance on non-local financial resources for operations and the need for continued growth in other local revenue sources.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSIONS AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(UNAUDITED)**

Table 2 reflects the changes in net assets during 2006 compared to 2005.

**TABLE 2
CHANGE IN NET ASSETS**

	Governmental Activities	Governmental Activities
	<u>2006</u>	<u>2005</u>
Receipts:		
Program Receipts:		
Charges for Services	\$ 1,531,785	\$ 1,365,971
Operating Grants	1,152,237	1,089,439
General Receipts:		
Property and Other Local Taxes	1,301,733	1,270,630
Subdivision Fees	121,970	121,970
Unrestricted Grants	407,507	627,072
Miscellaneous	29,549	688
Total Receipts	<u>4,544,781</u>	<u>4,475,770</u>
Disbursements:		
Public Health Services	4,372,556	4,479,018
Total Disbursements	<u>4,372,556</u>	<u>4,479,018</u>
Net Change in Net Assets	<u>172,225</u>	<u>(3,248)</u>
Net Assets, Beginning of Year	<u>1,795,200</u>	<u>1,798,440</u>
Net Assets, End of Year	<u>\$ 1,967,425</u>	<u>\$ 1,795,200</u>

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(UNAUDITED)**

The District relies on diverse revenue streams to provide services to County residents. The District receives tax revenue generated from .5 mill property tax levy assessment and relies on intergovernmental revenue provided through federal, state and local grants. The largest category of disbursements was Salaries and related benefits. The District employs approximately 63 full-time employees.

BUDGETARY HIGHLIGHTS

The District made numerous revisions to the original appropriation approved by the Board and the Board's fiscal agent, the Greene County Budget Commission. Overall, these changes resulted in little significant change in the fund balance. During 2006, the District spent about 90% of the amount appropriated in the General Fund. The District's 2006 financial statements include budgetary statements for the General Fund, Clinic Health Services Fund (CHS), Environmental Health Plumbing/Inspection and Food Service/Operations Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

Debt

The District has no debt obligations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it received.

Questions concerning any of the information in this report or requests for additional information should be directed to:

Aloysius O. Onuoha, BS, MBA, MHA,
Director, Administrative Services
Greene County Combined Health District
Xenia, OH 45385
Phone Number (937) 374-5628

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,967,425
Total Net Assets	<u>1,967,425</u>
<u>Net Assets</u>	
Restricted For:	
Other Purposes	545,613
Unrestricted	1,421,812
Total Net Assets	<u>\$ 1,967,425</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2006

	<u>Program Cash Receipts</u>			
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental Activities				
Public Health Services	<u>\$ 4,372,556</u>	<u>\$ 1,531,785</u>	<u>\$ 1,152,237</u>	<u>\$ (1,688,534)</u>
		<u>General Receipts:</u>		
				1,301,733
				121,970
				407,507
				<u>29,549</u>
				<u>1,860,759</u>
				172,225
				<u>1,795,200</u>
				<u>\$ 1,967,425</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

COMBINED STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	<u>General</u>	<u>Clinic Health Services Fund</u>	<u>Environmental Plumbing/ Inspection Fund</u>	<u>Food Service Operations Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>						
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 539,540	\$ 395,143	\$ 349,513	\$ 683,229	\$ 1,967,425
Total Assets	<u>-</u>	<u>539,540</u>	<u>395,143</u>	<u>349,513</u>	<u>683,229</u>	<u>1,967,425</u>
<u>Fund Balances</u>						
Reserved:						
Reserved For Encumbrances	-	13,366	4,796	2,073	44,821	65,056
Unreserved:						
Undesignated (Deficit) Report In:						
Special Revenue Funds	-	526,174	390,347	347,440	638,408	1,902,369
Total Fund Balances	<u>\$ -</u>	<u>\$ 539,540</u>	<u>\$ 395,143</u>	<u>\$ 349,513</u>	<u>\$ 683,229</u>	<u>\$ 1,967,425</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	General	Clinic Health Services Fund	Environmental Plumbing/ Inspection Fund	Food Service Operations Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property and Other Local Taxes	\$ 1,301,733	-	-	-	-	\$ 1,301,733
Subdivision fees	121,970	-	-	-	-	121,970
Fees, Licenses & Permits	160,482	\$ 103,930	\$ 479,181	\$ 357,445	\$ 430,747	1,531,785
Contractual Services	233,657	-	-	-	-	233,657
Federal Grants	-	59,150	-	-	838,799	897,949
State Grants	173,850	-	-	-	-	173,850
Foundation Grants	-	-	-	-	124,425	124,425
Local Grants	-	-	-	-	30,000	30,000
Other Grants	19,808	74,280	-	-	5,775	99,863
Miscellaneous	18,400	910	116	45	10,078	29,549
Total Receipts	<u>2,029,900</u>	<u>238,270</u>	<u>479,297</u>	<u>357,490</u>	<u>1,439,824</u>	<u>4,544,781</u>
DISBURSEMENTS						
Current:						
Public Health Services						
Salaries	588,325	405,418	339,323	180,952	1,088,876	2,602,894
Materials & Supplies	29,830	58,539	13,440	6,942	102,999	211,750
Remittance to State	78,789	-	-	23,026	100,013	201,828
Equipment and Vehicles	25,902	3,862	840	358	32,364	63,326
Contracts - Repairs	3,611	359	1,807	865	3,349	9,991
Contracts - Services	51,629	23,575	5,161	1,518	179,804	261,687
Rentals (Facilities/Lease Agreements)	29,770	2,500	2,000	1,500	7,170	42,940
Travel and Training	15,809	6,202	1,944	1,777	23,055	48,787
Advertising and Printing	3,640	2,422	255	998	47,177	54,492
Public Employees' Retirement	79,256	54,261	45,126	24,160	147,100	349,903
Worker's Compensation	12,522	8,050	6,104	3,847	22,063	52,586
Utilities	10,655	3,277	7,779	2,467	12,965	37,143
Insurance	87,747	53,634	50,849	38,116	103,081	333,427
Other	27,784	6,657	7,705	4,081	55,575	101,802
Total Disbursements	<u>1,045,269</u>	<u>628,756</u>	<u>482,333</u>	<u>290,607</u>	<u>1,925,591</u>	<u>4,372,556</u>
Excess of Receipts Over (Under) Disbursements	<u>984,631</u>	<u>(390,486)</u>	<u>(3,036)</u>	<u>66,883</u>	<u>(485,767)</u>	<u>172,225</u>
Other Financing Sources (Uses)						
Transfers In	-	415,000	-	-	586,000	1,001,000
Transfers Out	(1,001,000)	-	-	-	-	(1,001,000)
Advances In	480,104	463,735	-	-	-	943,839
Advances Out	(463,735)	(455,104)	-	-	(25,000)	(943,839)
Total Other Financing Sources (Uses)	<u>(984,631)</u>	<u>423,631</u>	<u>-</u>	<u>-</u>	<u>561,000</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>33,145</u>	<u>(3,036)</u>	<u>66,883</u>	<u>75,233</u>	<u>172,225</u>
Fund Balances Beginning of Year	<u>-</u>	<u>506,395</u>	<u>398,179</u>	<u>282,630</u>	<u>607,996</u>	<u>1,795,200</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 539,540</u>	<u>\$ 395,143</u>	<u>\$ 349,513</u>	<u>\$ 683,229</u>	<u>\$ 1,967,425</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
RECEIPTS				
State Grants	\$ 75,000	\$ 75,000	\$ 173,850	\$ 98,850
Subdivision Fees	121,970	121,970	121,970	-
Tax Levies	1,389,363	1,544,138	1,301,733	(242,405)
Licenses, Permits, & Fees	166,342	166,342	160,482	(5,860)
Contractual Services	233,658	233,658	233,657	(1)
Other Grants	-	-	19,808	19,808
Miscellaneous	18,896	18,896	18,400	(496)
	<u>2,005,229</u>	<u>2,160,004</u>	<u>2,029,900</u>	<u>(130,104)</u>
Total Receipts				
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	626,930	588,325	588,325	-
Materials & Supplies	36,000	29,830	29,830	-
Remittance to State	85,000	78,789	78,789	-
Equipment and Vehicles	150,000	25,902	25,902	-
Contracts - Repairs	5,000	3,611	3,611	-
Contracts - Services	80,000	81,399	81,399	-
Travel and Training	18,000	15,809	15,809	-
Advertising and Printing	10,000	3,640	3,640	-
Public Employees' Retirement	85,889	79,256	79,256	-
Worker's Compensation	12,539	12,522	12,522	-
Utilities	17,000	10,655	10,655	-
Insurance	105,909	87,747	87,747	-
Other	26,090	27,784	27,784	-
	<u>1,258,357</u>	<u>1,045,269</u>	<u>1,045,269</u>	<u>-</u>
Total Disbursements				
Excess of Receipts Over (Under) Disbursements	746,872	1,114,735	984,631	(130,104)
Other Financing Sources (Uses)				
Transfers Out	(999,037)	(1,001,000)	(1,001,000)	-
Advances In	350,000	350,000	480,104	130,104
Advances Out	(70,000)	(463,735)	(463,735)	-
	<u>(719,037)</u>	<u>(1,114,735)</u>	<u>(984,631)</u>	<u>130,104</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	27,835	-	-	-
Fund Balances Beginning of Year	-	-	-	-
Fund Balances End of Year	<u>\$ 27,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CLINIC HEALTH SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Federal Grants	\$ 69,900	\$ 69,900	\$ 59,150	\$ (10,750)
Other Grants	35,000	75,000	74,280	(720)
Licenses, Permits, & Fees	100,700	100,700	103,930	3,230
Miscellaneous	-	-	910	910
	<u>205,600</u>	<u>245,600</u>	<u>238,270</u>	<u>(7,330)</u>
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	415,885	445,885	418,784	27,101
Materials & Supplies	54,605	69,605	58,539	11,066
Equipment and Vehicles	20,000	21,000	3,862	17,138
Contracts - Services	32,631	31,330	23,934	7,396
Travel and Training	9,890	9,505	6,202	3,303
Advertising and Printing	2,500	2,500	2,422	78
Public Employees' Retirement	56,976	54,376	54,261	115
Worker's Compensation	8,317	8,317	8,050	267
Utilities	4,755	4,755	3,277	1,478
Insurance	58,552	56,681	53,634	3,047
Other	10,200	10,300	9,157	1,143
	<u>674,311</u>	<u>714,254</u>	<u>642,122</u>	<u>72,132</u>
Excess of Receipts Over (Under) Disbursements	(468,711)	(468,654)	(403,852)	64,802
Other Financing Sources (Uses)				
Transfers In	300,000	415,000	415,000	-
Advances In	350,000	350,000	463,735	113,735
Advances Out	(455,104)	(455,104)	(455,104)	-
	<u>194,896</u>	<u>309,896</u>	<u>423,631</u>	<u>113,735</u>
Net Change in Fund Balances	(273,815)	(158,758)	19,779	178,537
Fund Balances Beginning of Year	502,844	502,844	502,844	-
Prior Year Encumbrances Appropriated	3,551	3,551	3,551	-
	<u>\$ 232,580</u>	<u>\$ 347,637</u>	<u>\$ 526,174</u>	<u>\$ 178,537</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ENVIRONMENTAL PLUMBING AND INSPECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Licenses, Permits, & Fees	\$ 540,000	\$ 540,000	\$ 479,181	\$ (60,819)
Miscellaneous	-	-	116	116
Total Receipts	<u>540,000</u>	<u>540,000</u>	<u>479,297</u>	<u>(60,703)</u>
DISBURSEMENTS				
Salaries	395,564	395,564	344,119	51,445
Materials & Supplies	21,000	21,000	13,440	7,560
Equipment and Vehicles	40,000	40,000	840	39,160
Contracts - Repair	4,500	4,500	1,807	2,693
Contracts - Services	4,700	4,700	5,161	(461)
Travel and Training	5,400	5,400	1,944	3,456
Advertising and Printing	2,500	2,500	255	2,245
Public Employees' Retirement	54,192	54,192	45,126	9,066
Worker's Compensation	7,911	7,911	6,104	1,807
Utilities	11,421	11,421	7,779	3,642
Insurance	65,222	65,222	50,849	14,373
Other	14,236	14,236	9,705	4,531
Total Disbursements	<u>626,646</u>	<u>626,646</u>	<u>487,129</u>	<u>139,517</u>
Excess of Receipts Over (Under) Disbursements	(86,646)	(86,646)	(7,832)	78,814
Fund Balances Beginning of Year	396,358	396,358	396,358	-
Prior Year Encumbrances Appropriated	<u>1,821</u>	<u>1,821</u>	<u>1,821</u>	
Fund Balances End of Year	<u>\$ 311,533</u>	<u>\$ 311,533</u>	<u>\$ 390,347</u>	<u>\$ 78,814</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOOD SERVICE OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Licenses, Permits, & Fees	\$ 300,000	\$ 317,120	\$ 357,445	\$ 40,325
Miscellaneous	268	313	45	(268)
Total Receipts	<u>300,268</u>	<u>317,433</u>	<u>357,490</u>	<u>40,057</u>
DISBURSEMENTS				
Salaries	183,927	183,927	180,952	2,975
Materials & Supplies	7,000	8,500	6,942	1,558
Remittance to State	26,000	26,000	23,026	2,974
Equipment and Vehicles	20,000	15,000	358	14,642
Contracts - Repair	3,000	3,000	865	2,135
Contracts - Services	1,500	4,500	3,018	1,482
Travel and Training	8,150	7,150	1,777	5,373
Advertising and Printing	1,500	1,332	998	334
Public Employees' Retirement	25,198	25,198	24,160	1,038
Worker's Compensation	3,679	3,847	3,847	-
Utilities	3,619	3,619	2,467	1,152
Insurance	43,522	45,082	40,189	4,893
Other	8,517	8,517	4,081	4,436
Total Disbursements	<u>335,612</u>	<u>335,672</u>	<u>292,680</u>	<u>42,992</u>
Excess of Receipts Over (Under) Disbursements	(35,344)	(18,239)	64,810	83,049
Fund Balances Beginning of Year	281,861	281,861	281,861	-
Prior Year Encumbrances Appropriated	769	769	769	-
Fund Balances End of Year	<u>\$ 247,286</u>	<u>\$ 264,391</u>	<u>\$ 347,440</u>	<u>\$ 83,049</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

1. DESCRIPTION OF THE COMBINED HEALTH DISTRICT AND REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Greene County Combined Health District, (the District), as a body corporate and politic. A thirteen-member Board and Health Commissioner govern the District which provides health services in all of Greene County, including cities, villages, and townships.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations ensuring that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. They comprise the District's legal entity, which provides services associated with immunization, vital statistics, health related licenses and permits, disease prevention and control, homemaker and public health nursing.

The Greene County Commissioners are the taxing authority for the District. The Greene County Auditor and the Greene County Treasurer are responsible for fiscal control of the resources of the District.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements follow the cash basis of accounting. The District's Basic Financial Statements consists of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

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

The Statement of Net Assets presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the District.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

2. Fund Financial Statements

During the year, the District segregates transactions related to certain 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 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.

3. Fund Accounting

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

Governmental Funds

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

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

Clinic Health Services Fund – This fund is used to account for revenue received and expended for the following activities: Bureau for Children with Medical Handicaps (BCMh), health supervision, specialty clinics-hearing and vision, communicable disease, Aids/HIV prevention, welcome home program and other primary care programs.

Environmental Plumbing/Inspection Fund – This fund is used to account for revenue received and expended for the following program activities: Resident camps, trash and tank trucks, sewage disposal, demolition, housing, mosquito control, nuisance abatement, rabies control, tattoo parlors, plumbing, etc.

Food Service Operations Fund – This fund is used to account for revenue received and expended for the following components: the food service operations and the retail food establishment operations. Both programs are state mandated programs that assure the health and safety of all food operations patrons. Activities include periodic inspections as prescribed by law for restaurant, grocery stores, mobile food operations, temporary food operators and vending locations.

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

4. Measurement Focus

The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

5. Basis of Accounting

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.

B. 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.

C. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the District uses.

D. Long-term Debt Obligations

The District did not have any bonds or other long-term obligations.

E. Net Assets

These statements report restricted net assets when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The District first applies restricted resources when incurring disbursements for which it may use either restricted or unrestricted resources.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The budgetary basis reports expenditures when commitments are made (i.e. when an encumbrance is approved). The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate. The appropriation resolution is the District's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the District. The legal level of budgetary control has been established by District at the fund and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated certificate of amended resources in effect at the time final appropriations were passed by District.

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

Budget versus actual statements for major funds are presented as part of the financial statements.

G. Accumulated Leave

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

3. CASH AND CASH EQUIVALENTS

The Greene County Commissioners maintain a cash pool used by all of the County's funds, including those of the Combined Health District. The Ohio Revised Code prescribes allowable deposits and investments. At year-end, the carrying amount of the District's deposits with the Greene County Commissioner was \$1,967,425. The Greene County Board of Commissioners, as the fiscal agent for the District, is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and deposits accounts.

4. PROPERTY TAXES

The Greene County Commissioners serve as a special taxing authority to levy a special levy outside the property tax ten-mill limitation to provide the District with sufficient funds to carry out health programs and general operations. The County Commissioners have placed a countywide levy of .5 mills on the ballot that gained approval by the electors of the county.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

5. INTERFUND BALANCES

Unpaid inter-fund cash advances at December 31, 2006 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 480,104	\$ -0-
Clinic Health Services Fund	-0-	455,104
Other Governmental Funds	<u>-0-</u>	<u>25,000</u>
Total Interfund ReceivablesPayables	<u>\$ 480,104</u>	<u>\$ 480,104</u>

6. INTERFUND TRANSFERS

Interfund cash transfers for the year ended December 31, 2006 were as follows:

TRANSFER TO:

	Clinic Health Services Fund	Other Governmental Funds	Total Governmental Funds
TRANSFER FROM:			
General Fund	<u>\$415,000</u>	<u>\$586,000</u>	<u>\$1,001,000</u>
Totals	<u>\$415,000</u>	<u>\$586,000</u>	<u>\$1,001,000</u>
	=====		

The District transferred cash for grant reimbursement purposes due to the timing of the receipt of grant monies.

7. RISK MANAGEMENT

A. Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Property, Equipment and Vehicles,
- Employee health insurance benefits
- Errors and Omissions,
- Director and Officers

B. Risk Pool Membership

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

7. RISK MANAGEMENT (Continued)

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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

Financial Position

PEP's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004.

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$29,719,675	\$27,437,169
Liabilities	<u>15,994,168</u>	<u>13,880,038</u>
Retained earnings	\$13,725,507	\$13,557,131
	=====	=====

<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$4,443,332	\$ 3,652,970
Liabilities	<u>1,068,246</u>	<u>540,073</u>
Retained earnings	\$3,375,086	\$3,112,897
	=====	=====

8. PENSION OBLIGATIONS

(a) Plan Description

The Council contributes to the Ohio Public Employees Retirement System of Ohio (OPERS), a cost sharing, multiple-employer public employee retirement system. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries through 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under this plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan. Under this plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan. Chapter 145 of the Ohio Revised Code assigns the Council to establish and amend benefit provisions to the PERS board of trustees (Board). OPERS issues a stand-alone financial report that includes the financial statements. That report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-466-2085 or 1-800-222-PERS (7377).

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

8. PENSION OBLIGATIONS (Continued)

(b) Funding Policy

Plan members are required to contribute a percentage of their annual covered salary (9% in 2006 and 8.5% in 2005), and the Council is required to contribute an actuarially determined rate. The employer contribution rate for 2006 was 13.7%, 13.55% for 2005 and 2004 of annual covered payroll. The District's contributions for pension obligations to the traditional, combined, and member-directed plans for the years ended December 31, 2006, 2005 and 2004 were \$349,903 and \$352,407 and \$239,856. 76% or \$272,531 has been contributed for 2006 with the remaining balance of \$85,360 or 24% to be paid in the first quarter of 2007.

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

OPERS also provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. As required by state statute, a portion of each employer's contribution to OPERS (see note 7) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory Council for employer contributions. The contribution rates of 13.7% and 13.55% to the Plan for the years ended December 31, 2006 and 2005, respectively included a portion (4.5% in 2006 and 4% in 2005) that was used to fund healthcare. The Council's contributions for post-employment benefits were approximately \$114,347 and \$103,960 for the years ended December 31, 2006 and 2005, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

The Ohio Revised Code provides the statutory Council requiring public employers to fund postretirement health care through their contributions to OPERS.

Summary of assumptions

Actuarial Review – The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2005.

Funding Method – The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of the unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return – The investment assumption rate for 2005 was 6.5%.

Active Employee Total Payroll – An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 6% for the next 9 years. In subsequent years (10 and beyond), health care costs were assumed to increase at 4.0% (the projected wage inflation rate).

OPEBs are advanced funded on an actuarially determined basis. The number of active contributing participants in the Traditional Pension Plan and Combined Plans at December 31, 2005 was 369,214. The actuarial value of the Retirement System’s net assets available for OPEB at December 31, 2005 was \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability at December 31, 2005, based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively.

10. CONTINGENCIES

A. Litigation

The District may be a party to litigation. Although the outcome of the litigation is not presently determinable, management believes the resolution of these matters will not materially adversely affect the District’s financial condition.

B. Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

11. CONTRACTUAL COMMITMENTS

During the year-ended December 31, 2006, the District had \$249,325 in contractual commitments for services provided. Some of the following commitments were funded by federal and state programs.

<u>CONTRACTOR</u>	<u>AMOUNT</u>
Greene County Animal Control	\$ 1,945
CH Software	1,267
Atlantic Mgt.	1,224
Sonitrol	2,801
Marc’s Services	500
Chris Schlorman	2,425
The Carpet Company	12,133
Novell License	2,738
Diagnostic Medical Imaging	120
Greene Radiology	801
James Bembry, M.D.	3,889
Dan West -- Speaker Fee	566
Safe Masters	1,000
Clark Cleaners	30
Buckeye Positions	620
Anita Stanley	37,354
Margaret Burns	35,533
W.S. Electronics	2,712

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006**

11. CONTRACTUAL COMMITMENTS (Continued)

Dean Engineering	8,800
CompuNet Labs	13,694
Medical Director	12,256
Margaret Clark	2,109
Waste Management	6,303
United Parcel Services	889
Dawn/Hurst	8,430
Fedrico	3,458
Parks/Recreation	572
Snyder Solutions	23
Terry Simmons' Lawn Service	1,765
Glo Germ Co.	21
Wright State	6,600
Cintas Loc	2,955
Miami Valley Interpreters	1,128
Medtox Labs	194
Family Connection (Dr. Jonas)	690
Dr. Lin	4,420
Keith Watson	4,420
Alice M. Teal	3,378
CBS Personnel Services	13,693
Express Personnel Services	7,376
Maitreyee Sherman	26,192
Cheryl Meyer, Ph.D	12,000
Universal Medical Services	260
Greeneview Schools	<u>750</u>
	<u>\$249,077</u>

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2006

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed through Ohio Department of Health			
Special Supplemental Nutrition Program for Women, Infants & Children (WIC)	29-1-001-CL-006	10.557	\$ 387,397
Total United States Department of Agriculture			<u>387,397</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Passed through Ohio Department of Public Safety			
State and Community Highway Safety	29000HD0	20.600	31,867
Total United States Department of Transportation			<u>31,867</u>
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			
Passed through Ohio Department of Health			
State Indoor Radon Grants	29-1-001-2-BA-06	66.032	57,472
Total United States Environmental Protection Agency			<u>57,472</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Ohio Department of Health			
Centers for Disease Control and Prevention - Investigation & Technical Assistance (Public Health Infrastructure)	29-1-001-2-BI-06	93.283	186,584
Total Centers for Disease Control and Prevention - Investigation & Technical Assistance			<u>186,584</u>
Immunization Grants	29-1-001-2-AZ-06	93.268	34,271
Total Immunization Grants			<u>34,271</u>
Preventive Health and Health Services Block Grant	29-1-001-2-EE-06	93.991	33,954
Total Preventive Health and Health Services Block Grant			<u>33,954</u>
Maternal and Child Health Services Block Grant to the States	29-1-001-1-MC-06	93.994	107,254
Total Maternal and Child Health Services Block Grant to the States			<u>107,254</u>
Passed through Ohio Department of Health			
Passed through City of Portsmouth Board of Health			
HIV Prevention Activities - Health Department Based	263-440-5283-04	93.940	59,150
Total HIV Prevention Activities - Health Department Based			<u>59,150</u>
Total United States Department of Health and Human Services			<u>421,213</u>
Total Federal Assistance			<u>\$ 897,949</u>

The accompanying notes are an integral part of this schedule.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditure (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
REQUIRED BY GOVERNMENT AUDITING STANDARDS

Greene County Combined Health District
360 Wilson Drive
P.O. Box 250
Xenia, Ohio 45385

To the Board:

We have audited the financial statements of the Greene County Combined Health District (the District) as of and for the year ended December 31, 2006, and have issued our report thereon dated June 19, 2007, wherein we noted the Board followed the cash basis of accounting, a comprehensive accounting basis other than accounting principles generally accepted in the United States of America. 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.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash basis of accounting such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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

Charles E. Harris & Associates, Inc.

June 19, 2007

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Greene County Combined Health District
360 Wilson Drive
P.O. Box 250
Xenia, Ohio 45385

To the Board:

Compliance

We have audited the compliance of the Greene County Combined Health District, (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

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

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 reportable 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 caused by error or fraud that would be material in relation to major federal program being audited may occur and not be timely detected by employees when 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 finance committee, management, the Board of Trustees, federal awarding agencies and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris and Associates, Inc.

June 19, 2007

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
December 31, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	CFDA # 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A:>\$300,000 Type B: All Others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
December 31, 2005

**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.

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the year ending December 31, 2005, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

GREENE COUNTY HEALTH DISTRICT

GREENE 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
AUGUST 28, 2007**