



**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2004**



**Auditor of State  
Betty Montgomery**



**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Montgomery County Combined Health District  
Reibold Building  
117 South Main Street  
Dayton, Ohio 45422

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Montgomery County Combined Health District (the District) as of and for the year ended December 31, 2004, 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 opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund, of the District as of December 31, 2004, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Federal Fund, Air Resources Study Fund, and Food Service Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2004, the District revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Betty Montgomery**  
Auditor of State

November 10, 2005

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**MANGEMENT'S DISCUSSION AND ANLAYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

This discussion and analysis of the Combined Health District of Montgomery County's (District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2004, within the limitations 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 2004 are as follows:**

- Net assets of governmental activities decreased \$7,941,262 or 62 percent, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the General Fund. This was a planned occurrence based on the maximum fund balance of 9%, policy of the Human Services Levy Council (HSLC).
- The District's general receipts are primarily property taxes levied for human services. These receipts represent 28 percent of the total cash received for governmental activities during the year. Property tax receipts for 2004 decreased in order to comply with the new fund balance policy.

**Using the Basic Financial Statements**

This annual report is 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 the cash activities of the District as a whole. Fund financial statements provide a greater level of detail. Funds segregate money based on legal regulations or for specific purposes. These statements present financial information by fund, presenting major funds in separate columns. The notes to the financial statements are an integral part of the District-wide and fund financial statements; notes 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 basis of accounting the Auditor of State prescribes or permits. 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 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.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**MANGEMENT'S DISCUSSION AND ANLAYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**Reporting the Health District as a Whole**

The Combined General Health District of Montgomery County (District) is a combined general health district established under the laws of the State of Ohio.

A nine-member Board, including a Health Commissioner, governs the District, which provides public health services to the citizens of Montgomery and for certain programs in surrounding counties. These services range from personal health care to air pollution control.

A reporting entity is comprised of the primary District, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. The basic financial statements includes general operations, public health nursing, immunizations, communicable disease clinics and programs, food protection, community and special services, vital statistics, personal health care clinics, air pollution monitoring and control, water and solid waste programs and regional emergency preparedness programs.

The statement of net assets and the statement of activities reflect how the District did financially during 2004, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental type activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each Governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each Governmental function draws from the District's general receipts.

These statements report the 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 District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, one should also consider other non financial factors as well, such as the District's property tax base, the condition of the District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the reports show all the District's activities as governmental. This category includes all of the District's basic services, including air pollution control, communicable disease clinics, and food protection services. State and federal grants, fees and property taxes finance most of these activities. The people receiving the benefits do not necessarily pay for the services provided through governmental activities.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**MANGEMENT'S DISCUSSION AND ANLAYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

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

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

The Governmental fund includes all of the District's activities. The Governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine the availability of financial resources to support the District's programs. The District's significant Governmental funds have separate columns on the financial statements. The District's major Governmental funds are the General Fund, Federal Fund, Air Resources Study Fund, and Food Service Fund. The programs reported in Governmental funds are those reported in the Governmental activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2004 compared to 2003 on a cash basis:

(Table 1)  
**Net Assets**

|                                | <b>Governmental Activities</b> |                     |
|--------------------------------|--------------------------------|---------------------|
|                                | <b>2004</b>                    | <b>2003</b>         |
| <b>Assets</b>                  |                                |                     |
| Cash and Cash Equivalents      | \$4,870,084                    | \$12,811,346        |
| <b>Total Assets</b>            | <b>4,870,084</b>               | <b>12,811,346</b>   |
| <b>Net Assets</b>              |                                |                     |
| Restricted for Special Revenue | 1,624,376                      | 1,557,243           |
| Unrestricted                   | 3,245,708                      | 11,254,103          |
| <b>Total Net Assets</b>        | <b>\$4,870,084</b>             | <b>\$12,811,346</b> |

As mentioned previously, net assets of Governmental activities decreased \$7,941,262 or 62 percent during 2004. The primary reason contributing to the decrease in cash balance is the 9% fund balance policy of the Human Services Levy Council.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**MANGEMENT'S DISCUSSION AND ANLAYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

Table 2 reflects the changes in net assets in 2004. Since the District did not prepare financial statements in this format for 2003, a comparative analysis of District-wide data is not presented. In future years, when prior year information is available, a comparative analysis will be presented.

(Table 2)  
**Changes in Net Fund Balances**

|                                       | <b>Governmental<br/>Activities<br/>2004</b> |
|---------------------------------------|---|
| <hr/>                                 |   |
| <b>Receipts:</b>                      |   |
| Program Receipts:                     |   |
| Charges for Services and Sales        | \$7,928,167                                 |
| Intergovernmental Revenues            | 8,357,777                                   |
|                                       | <hr/>                                       |
| Total Program Receipts                | 16,285,944                                  |
| General Receipts:                     |   |
| Property and Other Local Taxes        | 6,601,122                                   |
| Miscellaneous                         | 611,414                                     |
|                                       | <hr/>                                       |
| Total General Receipts                | 7,212,536                                   |
|                                       |   |
| Total Receipts                        | <hr/>                                       |
|                                       | 23,498,480                                  |
| <b>Disbursements:</b>                 |   |
| Public Health Services                | 30,693,638                                  |
| Capital Outlay                        | 754,415                                     |
|                                       | <hr/>                                       |
| Total Disbursements                   | 31,448,053                                  |
|                                       |   |
| Receipts Over (under) Disbursements   | <hr/>                                       |
|                                       | (7,949,573)                                 |
| <b>Other Financing Sources (Uses)</b> |   |
| Sale of Fixed Assets                  | 8,311                                       |
| Transfers In                          | 432,066                                     |
| Transfers Out                         | (432,066)                                   |
|                                       | <hr/>                                       |
| Total Other Financing Sources         | 8,311                                       |
|                                       |   |
| Net Change in Fund Balance            | (7,941,262)                                 |
|                                       |   |
| Fund Balance, January 1, 2004         | <hr/>                                       |
|                                       | 12,811,346                                  |
| Fund Balance, December 31, 2004       | <hr/>                                       |
|                                       | <u>\$4,870,084</u>                          |

Program receipts represent 69 percent of total receipts. These receipts are primarily comprised of restricted intergovernmental receipts such as inspection fees, record fees, grant funds and patient fees: private pay, insurance, Medicaid or Medicare.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

General receipts represent 31 percent of the District's total receipts, and of this amount, 91 percent are local taxes. Other receipts \$619,725, are somewhat of an unpredictable revenue source.

Capital Outlays signifies the disbursements for equipment and infrastructure for use in providing the District's services to the public.

**Governmental Activities**

If one looks at the Statement of Activities, the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public health services. The next three columns of the Statement entitled Program Receipts identify amounts collected through fees and grants received by the District that have a restricted use. The Net (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the services that expend general receipts the source of which to a significant extent, is the local taxpayer. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)  
**Governmental Activities**

|                                      | <b>Total Cost<br/>Of Services<br/>2004</b> | <b>Program<br/>Receipts<br/>2004</b> | <b>Net Cost<br/>of Services<br/>2004</b> |
|--------------------------------------|--|--------------------------------------|--|
| Public Health services               | \$30,693,638                               | 16,285,944                           | \$14,407,694                             |
| Capital Outlays                      | 754,415                                    | 0                                    | 754,415                                  |
| <b>Total Governmental Activities</b> | <b>\$31,448,053</b>                        | <b>\$16,285,944</b>                  | <b>\$15,162,109</b>                      |

Property taxes and other general receipts support 31 percent of the governmental activities.

**The District's Funds**

Total Governmental funds had receipts of \$23,506,791 and disbursements of \$31,448,053, excluding transfers in and out. The greatest change within Governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$6,587,433 as the result of the implementation of the fund balance restriction.

General Fund receipts were less than disbursements by \$6,162,170 indicating that the General Fund implemented the fund balance policy. Because of the implementation of the fund balance reserve policy, management has developed a business plan for the ensuing years (2005-2008) incorporating projections for the future levy allocations and the impact of the fund balance reserve policy.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**General Fund Budget Highlights**

The District's budget is prepared according to Ohio law and accounts for certain transactions on a cash basis: receipts and disbursements. The most significant budgeted fund is the General Fund.

During 2004, the Board of Health amended the General Fund budget as necessary to reflect incremental revenues and corresponding expenditures. The Health Commissioner approves all adjustments to categories within the Board approved appropriations. Overall the variance in budgeted versus actual receipts is explained by the change in fund balance reserve policy.

Final expenditure budget was \$23,634,373 while actual disbursements were \$20,948,901. The \$2,685,472 variance reflects vacant positions and the related benefits and reduction in contractual professional services as the major items. While a reduction in the payment of state fees, purchase of vaccines including the flu, maintenance costs, cost of repairs and utilities added to the variance to a lesser degree.

**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.

**Contractual Obligations**

The District is paying on a bond issued by Montgomery County to assist in the renovating of the current residence of the District, 117 S. Main St., Dayton, Ohio, a.k.a. the Reibold Building. The District occupies the Lower Level, Main Floor and Second Floor. The payments consist of principle and interest payable semi-annually. The District agreed to a bond of \$8,000,000 with repayment to occur semiannually with increasing payments through the year 2020. 2004 payments totaled \$644,069.

**Current Issues**

The challenge for all Districts is to provide quality services to the public while staying within the restrictions imposed by limited and in some cases shrinking funding. Generally, almost 50% of the District's receipts are from the local levy allocations. The business plan for 2005-2006 positions the District to operate within the proposed allocations.

**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 receives. Direct any questions concerning any of the information in this report or requests for additional information to Director of Administration, Combined Health District, 117 S. Main Street, Dayton Ohio 45422.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2004**

|                           | <b>Governmental<br/>Activities</b> |
|---------------------------|------------------------------------|
| <b>Assets</b>             |                                    |
| Cash and Cash Equivalents | <u>\$4,870,084</u>                 |
| Total Assets              | <u><u>4,870,084</u></u>            |
| <b>Net Assets</b>         |                                    |
| Restricted for:           |                                    |
| Special Revenue           | 1,624,376                          |
| Unrestricted              | <u>3,245,708</u>                   |
| Total Net Assets          | <u><u>\$4,870,084</u></u>          |

*See accompanying notes to the basic financial statements.*

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|  |                               | <u>Program Cash Receipts</u>    |                             | <u>Net (Disbursement)<br/>Receipts and Change<br/>in Net Assets</u> |
|--|-------------------------------|---------------------------------|-----------------------------|---|
|  | <u>Cash<br/>Disbursements</u> | <u>Charges<br/>for Services</u> | <u>Operating<br/>Grants</u> | <u>Governmental<br/>Activities</u>                                  |
| <b>Governmental Activities</b>           |                               |                                 |                             |   |
| Public Health Services                   | \$30,693,638                  | \$7,928,167                     | \$8,357,777                 | (\$14,407,694)  |
| Capital Outlay                           | 754,415                       |                                 |                             | (754,415)   |
| Total Governmental Activities            | <u>\$31,448,053</u>           | <u>\$7,928,167</u>              | <u>\$8,357,777</u>          | <u>(15,162,109)</u>   |
| <br><b>General Receipts</b>              |                               |                                 |                             |   |
| Property Taxes Levied for Human Services |                               |                                 |                             | 6,601,122   |
| Miscellaneous                            |                               |                                 |                             | 619,725   |
| Total General Receipts                   |                               |                                 |                             | <u>7,220,847</u>  |
| Change in Net Assets                     |                               |                                 |                             | (7,941,262)   |
| Net Assets Beginning of Year             |                               |                                 |                             | <u>12,811,346</u>   |
| Net Assets End of Year                   |                               |                                 |                             | <u>\$4,870,084</u>  |

*See accompanying notes to the basic financial statements.*

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004**

|                                       | <u>General</u>     | <u>Federal<br/>Fund</u> | <u>Air Resources Study<br/>Fund</u> | <u>Food Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---------------------------------------|--------------------|-------------------------|-------------------------------------|------------------------------|---|
| <b>Assets</b>                         |                    |                         |                                     |                              |   |
| Cash and cash equivalents             | \$1,564,116        | \$1,052,464             | \$1,117,448                         | \$1,136,056                  | \$4,870,084                             |
| Total Assets                          | <u>1,564,116</u>   | <u>1,052,464</u>        | <u>1,117,448</u>                    | <u>1,136,056</u>             | <u>4,870,084</u>                        |
| <b>Fund Balances</b>                  |                    |                         |                                     |                              |   |
| Reserved for Encumbrances             | 1,247,837          | 300,417                 | 70,627                              | 5,495                        | 1,624,376                               |
| Unreserved, undesignated reported in: |                    |                         |                                     |                              |   |
| General Fund                          | 316,279            |                         |                                     |                              | 316,279                                 |
| Special Revenue Funds                 |                    | 752,047                 | 1,046,821                           | 1,130,561                    | 2,929,429                               |
| Total Fund Balances                   | <u>\$1,564,116</u> | <u>\$1,052,464</u>      | <u>\$1,117,448</u>                  | <u>\$1,136,056</u>           | <u>\$4,870,084</u>                      |

*See accompanying notes to the basic financial statements.*

**MONTGOMERY COUNTY COMBINED HEATH DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|   | <b>General</b>     | <b>Federal<br/>Fund</b> | <b>Air Resources Study<br/>Fund</b> | <b>Food Service<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|--------------------|-------------------------|-------------------------------------|------------------------------|---|
| <b>Receipts</b>                             |                    |                         |                                     |                              |   |
| Levy Funds                                  | \$6,601,122        |                         |                                     |                              | \$6,601,122                             |
| Intergovernmental Revenues                  | 665,772            | 5,275,312               | 2,416,693                           |                              | 8,357,777                               |
| Licenses, Permits, and Fees                 | 1,589,433          | 1,250                   | 44,546                              | 1,062,723                    | 2,697,952                               |
| Charges for Services                        | 3,728,859          | 1,450,398               | 48,079                              | 2,879                        | 5,230,215                               |
| Miscellaneous                               | 521,642            | 65,489                  | 24,231                              | 52                           | 611,414                                 |
| <b>Total Receipts</b>                       | <b>13,106,828</b>  | <b>6,792,449</b>        | <b>2,533,549</b>                    | <b>1,065,654</b>             | <b>23,498,480</b>                       |
| <b>Disbursements</b>                        |                    |                         |                                     |                              |   |
| Current:                                    |                    |                         |                                     |                              |   |
| Salaries and Benefits                       | 12,845,556         | 6,096,759               | 2,348,523                           | 868,482                      | 22,159,320                              |
| Supplies                                    | 716,891            | 365,180                 | 76,801                              | 5,981                        | 1,164,853                               |
| Contracts                                   | 2,410,747          | 893,573                 | 24,135                              | 5,518                        | 3,333,973                               |
| Other Expenses                              | 2,878,017          | 745,712                 | 283,364                             | 128,399                      | 4,035,492                               |
| Capital Outlay                              | 417,787            | 238,128                 | 93,908                              | 4,592                        | 754,415                                 |
| <b>Total Disbursements</b>                  | <b>19,268,998</b>  | <b>8,339,352</b>        | <b>2,826,731</b>                    | <b>1,012,972</b>             | <b>31,448,053</b>                       |
| Receipts Over (Under) Disbursements         | (6,162,170)        | (1,546,903)             | (293,182)                           | 52,682                       | (7,949,573)                             |
| <b>Other Financing Sources (Uses)</b>       |                    |                         |                                     |                              |   |
| Sale of Capital Assets                      | 6,803              |                         | 1,508                               |                              | 8,311                                   |
| Transfers In                                |                    |                         | 432,066                             |                              | 432,066                                 |
| Transfers Out                               | (432,066)          |                         |                                     |                              | (432,066)                               |
| <b>Total Other Financing Sources (Uses)</b> | <b>(425,263)</b>   |                         | <b>433,574</b>                      |                              | <b>8,311</b>                            |
| Net Change in Fund Balances                 | (6,587,433)        | (1,546,903)             | 140,392                             | 52,682                       | (7,941,262)                             |
| Fund Balances Beginning of Year             | 8,151,549          | 2,599,367               | 977,056                             | 1,083,374                    | 12,811,346                              |
| Fund Balances End of Year                   | <b>\$1,564,116</b> | <b>\$1,052,464</b>      | <b>\$1,117,448</b>                  | <b>\$1,136,056</b>           | <b>\$4,870,084</b>                      |

See accompanying notes to the basic financial statements.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|   | <u>Budgeted Amounts</u>   |                           | <u>Actual</u>           | <u>Variance with<br/>Final Budget</u> |
|---|---------------------------|---------------------------|-------------------------|---------------------------------------|
|   | <u>Original</u>           | <u>Final</u>              |                         |                                       |
| <b>Receipts</b>                             |                           |                           |                         |                                       |
| Levy funds                                  | \$11,820,857              | \$11,820,857              | \$6,601,122             | (\$5,219,735)                         |
| Intergovernmental Revenues                  | 265,554                   | 734,354                   | 665,772                 | (68,582)                              |
| Licenses, Permits, and Fees                 | 1,669,185                 | 1,660,145                 | 1,589,433               | (70,712)                              |
| Charges for Services                        | 3,888,179                 | 3,559,577                 | 3,728,859               | 169,282                               |
| Miscellaneous                               | 550,545                   | 551,656                   | 521,642                 | (30,014)                              |
| <b>Total Revenues</b>                       | <u>18,194,320</u>         | <u>18,326,589</u>         | <u>13,106,828</u>       | <u>(5,219,761)</u>                    |
| <b>Disbursements</b>                        |                           |                           |                         |                                       |
| Public Health Services                      | 21,960,014                | 22,135,998                | 19,623,671              | 2,512,327                             |
| Capital Outlay                              | 1,082,569                 | 1,066,309                 | 893,164                 | 173,145                               |
| <b>Total Expenditures</b>                   | <u>23,042,583</u>         | <u>23,202,307</u>         | <u>20,516,835</u>       | <u>2,685,472</u>                      |
| Revenues (Under) Expenditures               | (4,848,263)               | (4,875,718)               | (7,410,007)             | (2,534,289)                           |
| <b>Other Financing Sources/(Uses)</b>       |                           |                           |                         |                                       |
| Proceeds from Sale of Capital Assets        |                           |                           | 6,803                   | 6,803                                 |
| Transfers Out                               |                           | (432,066)                 | (432,066)               |                                       |
| <b>Total Other Financing Sources (Uses)</b> |                           | <u>(432,066)</u>          | <u>(425,263)</u>        | <u>6,803</u>                          |
| Net Change in Fund Balance                  | (4,848,263)               | (5,307,784)               | (7,835,270)             | (2,527,486)                           |
| Fund Balance Beginning of Year              | 7,468,774                 | 7,468,774                 | 7,468,774               |                                       |
| Prior Year Encumbrances Appropriated        | 682,775                   | 682,775                   | 682,775                 |                                       |
| <b>Fund Balance End of Year</b>             | <u><u>\$3,303,286</u></u> | <u><u>\$2,843,765</u></u> | <u><u>\$316,279</u></u> | <u><u>(\$2,527,486)</u></u>           |

See accompanying notes to the basic financial statements.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
FEDERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|                                      | <u>Budgeted Amounts</u> |                         | <u>Actual</u>           | <u>Variance with<br/>Final Budget</u> |
|--------------------------------------|-------------------------|-------------------------|-------------------------|---------------------------------------|
|                                      | <u>Original</u>         | <u>Final</u>            |                         |                                       |
| <b>Receipts</b>                      |                         |                         |                         |                                       |
| Intergovernmental Revenues           | \$5,009,338             | \$5,237,043             | \$5,275,312             | \$38,269                              |
| Licenses, Permits, and Fees          |                         |                         | 1,250                   | 1,250                                 |
| Charges for Services                 | 2,026,117               | 2,150,744               | 1,450,398               | (700,346)                             |
| Miscellaneous                        | 113,375                 | 375                     | 65,489                  | 65,114                                |
| <b>Total Revenues</b>                | <u>7,148,830</u>        | <u>7,388,162</u>        | <u>6,792,449</u>        | <u>(595,713)</u>                      |
| <b>Disbursements</b>                 |                         |                         |                         |                                       |
| Public Health Services               | 8,591,337               | 8,806,105               | 8,389,392               | 416,713                               |
| Capital Outlay                       | 270,215                 | 282,553                 | 250,377                 | 32,176                                |
| <b>Total Expenditures</b>            | <u>8,861,552</u>        | <u>9,088,658</u>        | <u>8,639,769</u>        | <u>448,889</u>                        |
| Net Change in Fund Balance           | (1,712,722)             | (1,700,496)             | (1,847,320)             | (146,824)                             |
| Fund Balance Beginning of Year       | 2,268,654               | 2,268,654               | 2,268,654               |                                       |
| Prior Year Encumbrances Appropriated | 330,713                 | 330,713                 | 330,713                 |                                       |
| <b>Fund Balance End of Year</b>      | <u><u>\$886,645</u></u> | <u><u>\$898,871</u></u> | <u><u>\$752,047</u></u> | <u><u>(\$146,824)</u></u>             |

*See accompanying notes to the basic financial statements.*

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
AIR RESOURCES STUDY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|                                      | <u>Budgeted Amounts</u> |                         | <u>Actual</u>             | <u>Variance with<br/>Final Budget</u> |
|--------------------------------------|-------------------------|-------------------------|---------------------------|---------------------------------------|
|                                      | <u>Original</u>         | <u>Final</u>            |                           |                                       |
| <b>Receipts</b>                      |                         |                         |                           |                                       |
| Intergovernmental Revenues           | \$2,163,788             | \$2,331,438             | \$2,416,693               | \$85,255                              |
| Licenses, Permits, and Fees          | 106,719                 | 106,719                 | 44,546                    | (62,173)                              |
| Charges for Services                 | 9,809                   | 9,809                   | 48,079                    | 38,270                                |
| Miscellaneous                        | 44,250                  | 44,250                  | 24,231                    | (20,019)                              |
| <b>Total Revenues</b>                | <u>2,324,566</u>        | <u>2,492,216</u>        | <u>2,533,549</u>          | <u>41,333</u>                         |
| <b>Disbursements</b>                 |                         |                         |                           |                                       |
| Public Health Services               | 2,809,717               | 2,843,952               | 2,802,489                 | 41,463                                |
| Capital Outlay                       | 187,837                 | 256,100                 | 94,869                    | 161,231                               |
| <b>Total Expenditures</b>            | <u>2,997,554</u>        | <u>3,100,052</u>        | <u>2,897,358</u>          | <u>202,694</u>                        |
| Revenues (Under) Expenditures        | (672,988)               | (607,836)               | (363,809)                 | 244,027                               |
| <b>Other Financing Sources</b>       |                         |                         |                           |                                       |
| Proceeds from Sale of Capital Assets |                         |                         | 1,508                     | 1,508                                 |
| Transfers In                         | 432,066                 | 432,066                 | 432,066                   |                                       |
| <b>Total Other Financing Sources</b> | <u>432,066</u>          | <u>432,066</u>          | <u>433,574</u>            | <u>1,508</u>                          |
| Net Change in Fund Balance           | (240,922)               | (175,770)               | 69,765                    | 245,535                               |
| Fund Balance Beginning of Year       | 853,071                 | 853,071                 | 853,071                   |                                       |
| Prior Year Encumbrances Appropriated | 123,985                 | 123,985                 | 123,985                   |                                       |
| <b>Fund Balance End of Year</b>      | <u><u>\$736,134</u></u> | <u><u>\$801,286</u></u> | <u><u>\$1,046,821</u></u> | <u><u>\$245,535</u></u>               |

*See accompanying notes to the basic financial statements.*

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
FOOD SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|                                      | <u>Budgeted Amounts</u>   |                           | <u>Actual</u>             | <u>Variance with<br/>Final Budget</u> |
|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------------------|
|                                      | <u>Original</u>           | <u>Final</u>              |                           |                                       |
| <b>Receipts</b>                      |                           |                           |                           |                                       |
| Licenses, Permits, and Fees          | \$1,043,195               | \$1,043,195               | \$1,062,723               | \$19,528                              |
| Charges for Services                 | 130                       | 130                       | 2,879                     | 2,749                                 |
| Miscellaneous                        |                           |                           | 52                        | 52                                    |
| <b>Total Revenues</b>                | <u>1,043,325</u>          | <u>1,043,325</u>          | <u>1,065,654</u>          | <u>22,329</u>                         |
| <b>Disbursements</b>                 |                           |                           |                           |                                       |
| Public Health Services               | 1,050,853                 | 1,048,193                 | 1,013,849                 | 34,344                                |
| Capital Outlay                       | 16,450                    | 22,690                    | 4,618                     | 18,072                                |
| <b>Total Expenditures</b>            | <u>1,067,303</u>          | <u>1,070,883</u>          | <u>1,018,467</u>          | <u>52,416</u>                         |
| Net Change in Fund Balance           | (23,978)                  | (27,558)                  | 47,187                    | 74,745                                |
| Fund Balance Beginning of Year       | 1,079,410                 | 1,079,410                 | 1,079,410                 |                                       |
| Prior Year Encumbrances Appropriated | <u>3,964</u>              | <u>3,964</u>              | <u>3,964</u>              |                                       |
| <b>Fund Balance End of Year</b>      | <u><u>\$1,059,396</u></u> | <u><u>\$1,055,816</u></u> | <u><u>\$1,130,561</u></u> | <u><u>\$74,745</u></u>                |

*See accompanying notes to the basic financial statements.*

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004**

**1. DESCRIPTION OF THE COMBINED HEALTH DISTRICT AND REPORTING ENTITY**

The Combined General Health District of Montgomery County (the District) is a combined general health district established under the laws of the State of Ohio.

A nine-member Board, including a Health Commissioner, governs the District, which provides public health services to the citizens of Montgomery and for certain programs surrounding counties also. These services range from personal health care to air pollution control.

**Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. The District's financial Statements, includes general operations, public health nursing, immunizations, communicable disease clinics and programs, food protection, community and special services, vital statistics, personal health care clinics, air pollution monitoring and control, water and solid waste programs and regional emergency preparedness programs.

The District's management believes these 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 basis of accounting the Auditor of State prescribes or permits.

The District's Basic Financial Statements consist 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.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

**3. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District utilizes the governmental category of funds.

**4. 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** – The general fund accounts for all financial resources except for restricted resources requiring a separate accounting. The general fund balance is available for any purpose in accordance with Ohio law.

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

**Air Resources Study Fund** – This fund encompasses the services provided for monitoring and controlling air pollution within Montgomery and surrounding counties.

**Food Service Fund** – This fund encompasses the services provided for monitoring the food protection program.

**5. 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.

**6. 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.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

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

**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. Inventory and Prepaid Items**

With the cash basis of accounting, supply inventories are expensed at time of purchase as are items paid for in advance

**D. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets

**E. Compensated Absences**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The cash basis of accounting does not recognize unpaid leave as a liability.

**F. Fund Balance Designations, Reserves, and Net Assets**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, governmental activities report temporary and permanent restrictions of net assets for amounts that are restricted by outside parties for use for a specific purpose.

**G. Interfund Activity**

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Non-exchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses. The statements do report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

**H. Budgetary Process**

Ohio law requires the Board of Health to budget and appropriate all funds. The major documents prepared are the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The certificate of estimated resources establishes a limit on the amounts the Board of Health may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The Board of Health uses the fund level as its legal level of control. Individual grants are limited to their approved budget: the Board must approve an increase or decrease.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

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

The District amends the certificate of estimated resources during the year if the District receives additional or new sources of funds. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the Board adopted the original appropriations. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for a fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the year.

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

**3. CHANGES IN ACCOUNTING PRINCIPLES**

For the year ended December 31, 2004, the District revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*. The financial statements now include entity-wide financial statements, which present information for the District as a whole, and fund financial statements, which present information for individual major funds rather than by fund type.

The District also implemented GASB Statement No. 37, which clarifies certain provisions of Statement No. 34, including the required content of the Management’s Discussion and Analysis, the classification of program revenues and the criteria for determining major funds, and GASB Statement No. 38, which modifies, establishes and rescinds certain financial statement note disclosures.

**4. CASH AND CASH EQUIVALENTS**

The Montgomery Treasurer maintains 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 Montgomery County was \$ 4,870,084. The Montgomery County Treasurer is the fiscal agent for the District and is responsible for maintaining adequate depository collateral for all funds in the County’s pooled cash and deposit accounts.

**5. PROPERTY TAXES**

The County Commissioners have established a Human Services Levy Council (HSLC) in which the District participates. Distribution of Levy funds to the participating agencies is on a semi-annual basis in accordance with HSLC recommendations. Currently the combined millage for the two levies is 11.24.

The HSLC established a new policy regarding agencies maintaining fund balances. The maximum allowable fund balance is 9% of budgeted expenses. For the District to reach this level, levy payments decreased to 6.6 million dollars. This was a decrease of 5.2 million dollars in 2004. This is a one-time reduction in levy funding.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**6. INTERFUND TRANSFERS**

Interfund cash transfers for the year ended December 31, 2004 were as follows:

| <u>TRANSFER FROM:</u> | <u>TRANSFER TO:</u>      |
|-----------------------|--------------------------|
| General Fund          | Air Resources Study Fund |
| \$ 432,066            | \$ 432,066               |

**7. RISK MANAGEMENT**

**A. Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions,
- Employee health, life and dental insurance

**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.

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

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**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, 2004 and 2003.

| <u>Casualty Coverage</u> | <u>2004</u>         | <u>2003</u>         |
|--------------------------|---------------------|---------------------|
| Assets                   | \$30,547,049        | \$25,288,098        |
| Liabilities              | (16,989,918)        | (12,872,985)        |
| Retained earnings        | <u>\$13,557,131</u> | <u>\$12,415,113</u> |

| <u>Property Coverage</u> | <u>2004</u>        | <u>2003</u>        |
|--------------------------|--------------------|--------------------|
| Assets                   | \$3,652,970        | \$3,158,813        |
| Liabilities              | (544,771)          | (792,061)          |
| Retained earnings        | <u>\$3,108,199</u> | <u>\$2,366,752</u> |

**C. Workers' Compensation**

Montgomery County manages the Workers Compensation program in which the District participates. Cost is allocated to the District annually.

**D. Employee Medical Benefits**

The District participates in a health insurance plan through Anthem Blue Cross/Blue Shield for all employees. The fully insured plan includes health, vision, prescription, and life insurance benefits.

In addition, the District has established a "Flexible Spending Account" to supplement the services provided under the health insurance plan. Voluntary employee payroll deductions fund the plan, and employees file their own claims. FlexBank administers the plan. The District pays \$4.50 per month per participating employee as an administrative fee.

The plan account activity was:

| <u>Beginning<br/>of the Year</u> | <u>Deposits</u> | <u>Claims Paid</u> | <u>Balance at<br/>Year End</u> |
|----------------------------------|-----------------|--------------------|--------------------------------|
| \$ 0                             | \$35,384        | \$27,128           | \$8,256                        |

**E. Tuition Reimbursement Program**

The District implemented a program to reimburse a limited number of employees for their tuition and other institutional fees associated with obtaining a Master in Public Health degree at a college or university approved by the Health Commissioner. On successful completion of a course, and with accompanying receipt, the District reimburses the employee 70 percent of the cost. The employee must agree to remain with the District for a minimum of 3 years after graduation or repay up to 90 percent of the total reimbursement.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**8. PENSION OBLIGATIONS**

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

- **The Traditional Pension Plan** – a cost sharing, multiple-employer defined benefit pension plan;
- **The Member-Directed Plan** – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- **The Combined Plan** – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS 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.

OPER 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. OPER issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2004, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. The 2004 member contribution rates were 8.5% for members in classifications other than law enforcement and public safety. The 2004 employer contribution rate for local government employer units was 13.55% of covered payroll.

The District's contributions for pension obligations to the traditional, combined, and member directed plans for the year ended December 31, 2004 was \$ 1,557,409. 92.8% has been contributed for 2004 with the remaining 7.2%, which is the December 2004 employer match, to be paid in January 2005.

**9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage.

The health care coverage provided by the retirement system is considered an Other Post employment Benefit (OPB) as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 employer contribution rate was 13.55 percent of covered payroll and 4.00 percent was the portion used to fund health care.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)**

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund post employment benefits were \$652,318. The actual contribution and the actuarial required contribution amounts are the same. OPERS' net assets available for the payment of benefits at December 31, 2003 (the latest information available), was \$10.5 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

**10. CONTINGENCIES**

**A. Litigation**

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

**B. Grants**

The District receives financial assistance from federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through December 31, 2004 will not have a material adverse effect on the District.

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**11. CONTRACTUAL OBLIGATION**

The District is paying on a bond issued by Montgomery County to assist in the renovating of the current residence of the District, 117 S. Main St., Dayton, Ohio, a.k.a. the Reibold Building. The District occupies the Lower Level, Main Floor and Second Floor. The payments consist of principle and interest payable semi-annually. The District agreed to a bond of \$8,000,000 with repayment to occur semiannually with increasing payments through the year 2020. The 2004 payments totaled \$644,069.

**12. OPERATING LEASES**

The District leases several sites for operations. The District disbursed \$1,252,846 to pay lease costs for the year ended December 31, 2004. All leases include cancellation provisions. By far the largest is for the Reibold Building, for current year \$735,469. Agreement limits increase to 5% per year. Current lease expires December 31, 2007.

**13. CONTRACTUAL COMMITMENTS**

At December 31, 2004, the District had \$1,169,428 in contractual commitments for services provided. Some of the following commitments will be funded by federal and state program grants.

| VENDOR                                   | AMOUNT  |
|--|---------|
| Account Temp.                            | \$9,024 |
| Advanced Window Cleaning Services Inc.   | 8,500   |
| Aids Resource Center Ohio Inc.           | 18,559  |
| American Appraisal Assoc., Inc.          | 2,000   |
| Architects Associated Inc.               | 16,325  |
| AT Systems Great Lakes Inc.              | 913     |
| Audiology & Speech Assoc.                | 776     |
| Barry Skrobot M.D.                       | 6,613   |
| Bettmans Pharmacy                        | 9,767   |
| Bowser Morner Inc.                       | 8,500   |
| Brenda A. Myers                          | 700     |
| Bruce Banias M.D.                        | 4,524   |
| BSMC Inc.                                | 550     |
| Business Equipment Co. BEC Legal Systems | 250     |
| Central Fire Protection                  | 300     |
| Chicago Title Ins. Co.                   | 1,778   |
| CIM Audio Visual                         | 6,000   |
| CINTAS Document Management               | 990     |
| Dale Farmer                              | 5,850   |
| Danis Properties Subsidiary Co. No. 4    | 200,000 |
| David Hoskins                            | 2,386   |
| Day.- Mont. West Behavioral Health Care  | 11,658  |
| DE Marchis Consultants                   | 3,578   |
| Diane Davis                              | 3,439   |
| Fidelity Health Care Inc.                | 3,310   |
| Good Samaritan Hospital                  | 29,969  |
| Grandview Ambulatory Health Center       | 223,000 |
| Gwendolyn M. Jones                       | 125     |
| Haley- Dusa Engineering & Surveying      | 3,600   |

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**13. CONTRACTUAL COMMITMENTS (Continued)**

|   |                    |
|---|--------------------|
| Idea Com Dayton Inc.                      | 3,246              |
| IKON Office Solutions                     | 20,811             |
| Intelistaf Healthcare                     | 3,000              |
| ITA Audio Visual Solutions                | 4,000              |
| J.L. Baker Inc.                           | 596                |
| Jeanne Bohrer M.D.                        | 4,673              |
| Joan Cooper M.D.                          | 644                |
| Joe Becks & Assoc. Inc.                   | 5,915              |
| Kettering Radiologists Inc.               | 4,946              |
| Lifestages                                | 3,149              |
| Marian K. Miller                          | 22,603             |
| Mechanical Systems of Dayton              | 7,382              |
| Merchants Security Service                | 19,976             |
| Miami Valley Hospital                     | 116,925            |
| Miami Valley Interpreters, LLC            | 21,502             |
| Montgomery County                         | 65,663             |
| Mutual Electric Company                   | 14,999             |
| Patricia Dempsey D.O.                     | 3,360              |
| Patricia Fine- Rosenstein M.D.            | 13,065             |
| Pavers by Design                          | 63,041             |
| Pitney Bowes Inc.                         | 4,010              |
| Prime Holdings LLC                        | 10,104             |
| Progressive Janitorial Services Inc.      | 15,951             |
| Quadax Inc.                               | 3,041              |
| Rhea R. Rowser M.D.                       | 860                |
| Robert Harris Appraising & Consulting Co. | 1,000              |
| Robert L. Stevens Sr.                     | 560                |
| SBC                                       | 3,994              |
| Senior Resource Connection                | 327                |
| Shell & Meyer Associates, Inc.            | 3,208              |
| Southern Christian Leadership Conf.       | 7,555              |
| Stephen Mathai M.D.                       | 14,985             |
| Stericycle Inc.                           | 3,798              |
| Terminix International                    | 1,590              |
| Third Realty Co.                          | 4,350              |
| United Way of the Greater Dayton Area     | 382                |
| University Medical Services Assoc. Inc.   | 22,917             |
| University of Dayton                      | 619                |
| VA Medical Center                         | 15,768             |
| Vocalink Foreign Language Service         | 2,965              |
| W.C. Jones Asphalt Paving                 | 3,890              |
| William D. Miles D.O. PC                  | 9,660              |
| William T. Burkhart                       | 15,561             |
| Wright State University                   | 39,242             |
| YMCA of Metropolitan Dayton               | 611                |
| <b>Total</b>                              | <b>\$1,169,428</b> |

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARD EXPENDITURES  
FOR YEAR ENDED DECEMBER 31, 2004**

| <b>Federal Grantor /<br/>Pass Through Grantor<br/>Program Title</b>   | <b>Pass<br/>Through<br/>Entity<br/>Number</b> | <b>CFDA<br/>Number</b> | <b>Disbursements</b> |
|---|---|------------------------|----------------------|
| <b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>  |   |                        |                      |
| <i>Passed through Ohio Department of Health</i>   |   |                        |                      |
| Special Supplemental Nutrition Program For Women,<br>Infants, and Children (WIC)  | 57-1-001-1-CL-04                              | 10.557                 | \$1,659,578          |
| <b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>  |   |                        |                      |
| <i>Passed through Montgomery County</i>   |   |                        |                      |
| Lead-Based Paint Hazard Control in Privately-Owned Housing  | OHLHB0223-02                                  | 14.900                 | 106,011              |
| <b>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</b>  |   |                        |                      |
| <i>Received Directly</i>  |   |                        |                      |
| Air Pollution Control Program Support   | A-00526404-2                                  | 66.001                 | 387,575              |
|   | A-00526405-2                                  |                        | <u>97,773</u>        |
| Total Air Pollution Control Program Support   |   |                        | 485,348              |
| Surveys, Studies, Investigations, and Special Purpose Grants  | X-97529801-2                                  | 66.606                 | 10,905               |
| Indoor Radon  | 57-1-003-2-BA-05                              | 66.032                 | 4,019                |
| Surveys, Studies, Investigations, Demonstrations, and<br>Special Purpose Activities relating to the Clean Air Act       | PM-98577202-2                                 | 66.034                 | 164,311              |
|   | X-97595501-2                                  |                        | 21,852               |
|   | X-96507601-1                                  |                        | 81,470               |
|   | XA-83147401-0                                 |                        | <u>39,094</u>        |
| Total Surveys, Studies, Investigations, Demonstrations, and Special<br>Purpose Activities relating to the Clean Air Act |   |                        | <u>306,727</u>       |
| Total United States Environmental Protection Agency   |   |                        | <u>806,999</u>       |
| <b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>  |   |                        |                      |
| <i>Passed through Ohio Department of Health</i>   |   |                        |                      |
| Medical Reserve Corps Small Grant Program   | N/A   | 93.008                 | 46,628               |
| Substance Abuse and Mental Health Services -<br>Projects of Regional and National Significance                          | N/A   | 93.243                 | 35,472               |
| Acquired Immunodeficiency Syndrome Activity   | 57-1-001-2-CK-04                              | 93.118                 | 10,722               |
|   | 57-1-001-2-CK-05                              |                        | <u>44,344</u>        |
| Total Acquired Immunodeficiency Syndrome Activity   |   |                        | 55,066               |
| Childhood Immunization Grants   | 57-1-001-2-AZ-03                              | 93.268                 | 9,739                |
|   | 57-1-001-2-AZ-04                              |                        | <u>139,577</u>       |
| Total Childhood Immunization Grants   |   |                        | 149,316              |
| Ryan White Planning and Evaluation  | 57-1-001-BV-03                                | 93.917                 | 6,351                |
|   | 57-1-001-BV-04                                |                        | 10,042               |
|   | 57-1-001-BV-05                                |                        | <u>13,662</u>        |
| Total Ryan White Planning and Evaluation  |   |                        | 30,055               |
| HIV Prevention Activities   | 57-1-001-2-AS-04                              | 93.940                 | 68,595               |
|   | 57-1-001-2-AS-05                              |                        | <u>315,070</u>       |
| Total HIV Prevention Activities   |   |                        | 383,665              |

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARD EXPENDITURES  
FOR YEAR ENDED DECEMBER 31, 2004  
(Continued)**

| <b>Federal Grantor /<br/>Pass Through Grantor<br/>Program Title</b>                           | <b>Pass<br/>Through<br/>Entity<br/>Number</b> | <b>CFDA<br/>Number</b> | <b>Disbursements</b>      |
|---|---|------------------------|---------------------------|
| <b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>                      |   |                        |                           |
| Maternal and Child Health Services Block Grants to States<br>OIMRI Prenatal                   | 57-1-001-1-DM-04                              | 93.994                 | 117,917                   |
|   | 57-1-001-1-DM-05                              |                        | 18,467                    |
| Child and Family Health Services Program  | 57-1-001-1-MC-04                              |                        | 114,035                   |
|   | 57-1-001-1-MC-05                              |                        | 230,827                   |
| Safety Net Dental Care  | 57-1-001-1-EH-03                              |                        | 21,565                    |
|   | 57-1-001-1-EH-04                              |                        | 69,663                    |
| Total Maternal and Child Health Services Block Grants to States                               |   |                        | <u>572,474</u>            |
| Preventive Health Services - Sexually Transmitted Diseases                                    | 57-1-001-2-BX-04                              | 93.977                 | 3,905                     |
|   | 57-1-001-2-BX-05                              |                        | 139,137                   |
| Total Preventive Health Services - Sexually Transmitted Diseases                              |   |                        | <u>143,042</u>            |
| Preventive Health and Health Services   | 57-1-001-2-ED-03                              | 93.991                 | 5,130                     |
|   | 57-1-001-2-ED-04                              |                        | 84,920                    |
| Total Preventive Health and Health Services   |   |                        | <u>90,050</u>             |
| Childhood Lead Poisoning Prevention Project   | 57-1-001-1-BD-04                              | 93.197                 | 30,219                    |
|   | 57-1-001-1-BD-05                              |                        | 26,418                    |
| Total Childhood Lead Poisoning Prevention Project   |   |                        | <u>56,637</u>             |
| Centers for Disease Control and Prevention -<br>Investigations and Technical Assistance       | 57-1-001-2-BI-04                              | 93.283                 | 540,470                   |
|   | 57-1-001-2-BI-05                              |                        | 91,051                    |
| Total Centers for Disease Control and Prevention -<br>Investigations and Technical Assistance |   |                        | <u>631,521</u>            |
| Total United States Department of Health and Human Services                                   |   |                        | <u>2,193,926</u>          |
| <b>Total Federal Awards Expenditures</b>  |   |                        | <u><u>\$4,766,514</u></u> |

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

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2004**

**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.

**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.

**NOTE C -- SAPT BLOCK GRANT**

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

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

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## Auditor of State Betty Montgomery

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

Montgomery County Combined Health District  
Reibold Building  
117 South Main Street  
Dayton, Ohio 45422

To the Board of Health:

We have audited the financial statements of the governmental activities and each major fund of the Montgomery County Combined Health District (the District) as of and for the year ended December 31, 2004 which collectively comprise the District's basic financial statements and have issued our report thereon dated November 10, 2005, wherein we noted that the District revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting 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 misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

#### **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, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated November 10, 2005, we reported a matter related to noncompliance we did not deem reportable condition.

Montgomery County Combined Health District  
Montgomery County  
Independent Accountants' Report on Internal Control  
Over Financial Reporting and on Compliance and Other  
Matters Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, the Board of Health, federal awarding agencies, and pass-through entities. It is not intended for 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

November 10, 2005



## **Auditor of State Betty Montgomery**

### **INDEPENDENT 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**

Montgomery County Combined Health District  
Reibold Building  
117 South Main Street  
Dayton, Ohio 45422

To the Board of Health:

#### **Compliance**

We have audited the compliance of the Montgomery 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 programs for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. 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 those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2004.

#### **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 a 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.

We intend this report solely for the information and use of the audit committee, management, the Board of Health, federal awarding agencies, and pass-through entities. It is not intended for 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

November 10, 2005

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2004**

**1. SUMMARY OF AUDITOR'S RESULTS**

|                     |   |   |
|---------------------|---|---|
| <b>(d)(1)(i)</b>    | <b>Type of Financial Statement Opinion</b>  | Unqualified   |
| <b>(d)(1)(ii)</b>   | <b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>         | No  |
| <b>(d)(1)(ii)</b>   | <b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b> | No  |
| <b>(d)(1)(iii)</b>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                        | No  |
| <b>(d)(1)(iv)</b>   | <b>Were there any material internal control weakness conditions reported for major federal programs?</b>              | No  |
| <b>(d)(1)(iv)</b>   | <b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>      | No  |
| <b>(d)(1)(v)</b>    | <b>Type of Major Programs' Compliance Opinion</b>   | Unqualified   |
| <b>(d)(1)(vi)</b>   | <b>Are there any reportable findings under § .510?</b>  | No  |
| <b>(d)(1)(vii)</b>  | <b>Major Programs (list):</b>   | CFDA # 66.001: Air Pollution Control Program Support<br>CFDA # 66.034: Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act<br>CFDA # 10.557: Special Supplemental Nutrition Program for Women, Infants and Children |
| <b>(d)(1)(viii)</b> | <b>Dollar Threshold: Type A\B Programs</b>  | Type A: > \$ 300,000<br>Type B: all others  |
| <b>(d)(1)(ix)</b>   | <b>Low Risk Auditee?</b>  | 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**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**MONTGOMERY COUNTY COMBINED HEALTH DISTRICT**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 20, 2005**