

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY
Single Audit
For Year Ended December 31, 2007**



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Clark County Combined Health District, Clark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 3, 2008

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**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

June 27, 2008

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

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Clark County Combined Health District**, (the District) as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 described more fully 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, each major fund and the aggregate remaining fund information of the District as of December 31, 2007 and the respective changes in the cash financial position and the respective budgetary comparison for the General Fund and HMG/TANF Fund thereof for the year ended in conformity with the basis of accounting Note 2 describes.

Clark County Combined Health District
Clark County
Independent Accountants' Report
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2008, 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 Government Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Federal Awards Expenditures 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 subjected the Schedule of Federal Awards Expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

This discussion and analysis of the Clark County Combined Health District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2007, 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 2007 are as follows:

Net assets from all governmental activities increased by \$233,335 or 8.59 percent, a significant change predominantly adding to the cash carryover from the Health Fund of \$2,106,038. These carryover monies are necessary over the next several years to ensure financial stability in 2010 when the first significant effects of the loss of Tangible Personal Property Tax are budgeted. In addition, \$400,000 of the carryover total is listed as the Health District Contingency Fund. The 8.59 percent increase is down from 12.7 percent in 2006.

Grant revenue increased by \$13,721, or less than one percent, mostly due an increase in Tobacco Use grant dollars available from the State of Ohio.

The District's general receipts are primarily property taxes and intergovernmental receipts. Receipts rose by less than one percent and disbursements rose by 2.8 percent. These receipts represent 94.0 percent of the Health Fund revenues and 39.4 percent of all governmental activity revenues. Property taxes revenue for 2007 was flat compared to 2006 numbers with a less than one percent increase.

Using the Basic Financial Statements

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

Report Components

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

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

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

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. 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 and disbursements are recorded when cash is received or paid.

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

Reporting the District's as a Whole

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

The statement of net assets and the statement of activities reflect how the District did financially during 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's services, grants and contributions and charges for services restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in the 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, you should also consider other non-financial factors as well, such as the District's property tax base, the extent of the District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue resources such as property taxes.

In the statement of net assets and the statement of activities, all District activities are reported as governmental. State and federal grants and property taxes finance most of these activities that are not necessarily paid for by the people receiving them.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

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 better manage its many activities and to help demonstrate that restricted funds are being spent for the intended purpose.

All of the District's activities are reported in Governmental Funds. 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 whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant Governmental Funds are presented on the financial statements in separate columns.

The information for non-major funds (funds whose activity or balance are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major Governmental Funds are the General Fund and the HMG/TANF Grant Fund. The programs reported in Governmental Funds are closely related to 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 2007 compared to 2006 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2007	2006
Assets		
Equity in Pooled Cash and Cash Equivalents	\$2,948,747	\$2,715,412
Total Assets	\$2,948,747	\$2,715,412
 Net Assets		
Restricted for:		
Other Purposes	842,709	774,662
Unrestricted	2,106,038	1,940,750
Total Net Assets	\$2,948,747	\$2,715,412

As mentioned previously, net assets of all governmental activities increased \$233,335 or 8.59 percent during 2007. The primary reasons contributing to the increase in cash balances are as follows:

- Very small growth in tax and intergovernmental collections along with planned carryover monies.
- Disbursements were approximately \$13,500 less than originally budgeted.
- Several grant funds appear to have healthy cash balances due to the different budget cycles than the District's calendar year fiscal cycle.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
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The District as a Whole (Continued)

Table 2 reflects the changes in net assets during 2007 compared to 2006 on a cash basis.

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

Receipts:	2007	2006
<i>Program receipts:</i>		
Fee for Services	\$ 1,199,588	\$ 1,205,193
Operating Grants	1,854,791	1,841,070
Contracts for Services	159,615	131,962
<i>Total Program Receipts</i>	<u>3,213,994</u>	<u>3,178,225</u>
<i>General Receipts:</i>		
Property and Other Local Taxes and Intergovernmental	2,182,971	2,172,952
State Subsidy/Contract with New Carlisle	51,777	53,290
Miscellaneous	87,314	61,457
<i>Total General Receipts</i>	<u>2,322,062</u>	<u>2,287,699</u>
Total Receipts	<u>5,536,056</u>	<u>5,465,924</u>
Disbursements:		
Public Health Services	5,302,721	5,158,094
Total Disbursements	<u>5,302,721</u>	<u>5,158,094</u>
Increase in Net Assets	<u>233,335</u>	<u>307,830</u>
Net Assets, January 1, 2007	2,715,412	2,407,582
Net Assets, December 31, 2007	<u>\$ 2,948,747</u>	<u>\$ 2,715,412</u>

Program receipts represent 58.1 percent of total receipts and are primarily comprised of state and federal grants, which make up 57.7 percent of total Program Receipts.

General receipts represent 41.9 percent of the District's total receipts, and of this amount, over 94 percent are local taxes. Other receipts are very insignificant and somewhat unpredictable revenue sources.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

The District as a Whole (Continued)

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

Equipment signifies the disbursements for equipment for use in administering the District’s services. The District began an ongoing computer/technology modernization program in 2007. This effort annually applies \$25,000 to the need for ongoing modernization of computer networking, hardware, software and communication equipment.

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. All of the major program disbursements for governmental activities are for Public Health services. The next column of the Statement entitled Program Receipts identifies amounts paid by people who are directly charged for the service as well as grants received by the District that must be used to provide a specific service and charges for services provided.

The Net Cost (Disbursement) column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service that ends up being paid from money provided by local taxpayers and state subsidies. These net costs are paid from the general receipts that are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)
Governmental Activities**

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
Public Health Services	\$5,302,721	\$2,088,727	\$5,158,094	\$2,014,233
Total Expenses	\$5,302,721	\$2,088,727	\$5,158,094	\$2,014,233

The District’s Funds

Total Governmental funds had receipts of \$5,536,056 and disbursements of \$5,302,721. The greatest change within Governmental funds occurred within the General Fund, the balance of which increased \$165,288 as the result of planned carryover monies for the fiscal year.

Receipts were more than disbursements in only 2 of the 10 non-grant funds. This is a reduction from previous years when 6 out of 10 had receipts in excess of disbursements. The Environmental Services fund is subsidized heavily by local tax receipts and raising fees high enough to completely cover the costs is not feasible in the foreseeable future. All of the funds began and ended 2007 with positive cash balances.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

General Fund Budgeting Highlights

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

During 2007, the District amended its General and Special Revenue fund budgets to reflect changing circumstances. The increase of Public Health Infrastructure monies for Pandemic Influenza required an Amended Certificate of Estimated Revenue.

General Fund disbursements were originally budgeted at \$2,553,558, amended to \$2,500,101 and actual disbursements were \$2,540,071. Receipts were initially budgeted at \$2,939,498, amended to \$2,921,467 and actual receipts were \$2,924,508. The excess in funds (actual receipts minus actual disbursements) was \$384,437, which is planned carryover to help fund the district operations during the next levy cycle.

Transfers from the General Fund to help operate the Environmental Funds continue to be in excess of \$250,000 per year.

Current Issues

The challenge for all Health Districts is to provide high quality preventive health services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and the county's industry is now in the early stages of recovering from a downturn in the past few years. With the passage of a replacement levy for operating expenses coupled with a downturn in Tangible Personal Property Tax revenue projected beginning in 2010 and beyond, we can predict fairly flat to slightly declining total dollar amount in local tax receipts in the next six years. With these resources, along with conservative spending, the District can continue its slow rate of financial growth and can be assured that basic service provision can continue even with shrinkage of grant funding.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers and providers with a general overview of the Health District's finances and to reflect the Health District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Charles Patterson, Health Commissioner, Clark County Combined Health District, 529 East Home Road, Springfield, Ohio 45503.

Clark County Combined Health District

Statement of Net Assets - Cash Basis

December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,948,747
<i>Total Assets</i>	<u>2,948,747</u>
Net Assets	
Restricted for:	
Other Purposes	842,709
Unrestricted	<u>2,106,038</u>
<i>Total Net Assets</i>	<u>\$ 2,948,747</u>

See accompanying notes to the basic financial statements

Clark County Combined Health District
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Contract For Services	Primary Government Governmental Activities
Governmental Activities					
Environmental Health					
Food Service Fund	\$ 225,517	\$ 194,920	\$ -	\$ -	\$ (30,597)
Solid Waste Fund	116,407	420	-	100,000	(15,987)
Plumbing Fund	178,371	173,521	-	-	(4,850)
Environmental Services Fund	206,412	5,353	-	-	(201,059)
Water System Fund	107,294	64,331	-	-	(42,963)
CD&D Fund	74,263	76,181	-	-	1,918
Other Environmental Health Funds	40,782	82,416	-	-	41,634
Grant Programs					
Help Me Grow	494,079	-	493,901	-	(178)
Public Health Infrastructure	215,486	-	204,103	5,500	(5,883)
Tobacco Use Grant	74,613	-	25,415	-	(49,198)
Early Start Grant	182,366	-	204,901	-	22,535
OIMRI Grant	304,280	-	277,792	-	(26,488)
Other Grants	619,701	-	648,679	54,115	83,093
Immunizations	161,450	296,373	-	-	134,923
Vital Statistics	169,942	306,073	-	-	136,131
Administration	1,633,104	-	-	-	(1,633,104)
Other Health Expenditures	498,654	-	-	-	(498,654)
<i>Total Governmental Activities</i>	<u>\$ 5,302,721</u>	<u>\$ 1,199,588</u>	<u>\$ 1,854,791</u>	<u>\$ 159,615</u>	<u>\$ (2,088,727)</u>
General Receipts					
Property Taxes Levied and Intergovernmental Receipts for					
General Health District Purposes				\$	2,182,971
State Subsidy/contract with New Carlisle					51,777
Miscellaneous					87,314
<i>Total General Receipts</i>					<u>2,322,062</u>
Change in Net Assets					<u>233,335</u>
<i>Net Assets Beginning of Year</i>					<u>2,715,412</u>
<i>Net Assets End of Year</i>					<u>\$ 2,948,747</u>

See accompanying notes to the basic financial statements

Clark County Combined Health District
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	<u>General</u>	<u>HMG/TANF Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 2,106,038	\$ 49,470	\$ 793,239	\$ 2,948,747
<i>Total Assets</i>	<u>2,106,038</u>	<u>49,470</u>	<u>793,239</u>	<u>2,948,747</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	97,666	19,850	68,207	185,723
Unreserved:				
General Fund	2,008,372	-	-	2,008,372
Special Revenue Funds	-	29,620	725,032	754,652
<i>Total Fund Balances</i>	<u>\$ 2,106,038</u>	<u>\$ 49,470</u>	<u>\$ 793,239</u>	<u>\$ 2,948,747</u>

See accompanying notes to the basic financial statements

Clark County Combined Health District
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2007

	General	HMG/TANF Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
State Funds	\$ 343,990	\$ -	\$ 9,643	\$ 353,633
Tax Levies	1,890,758	-	-	1,890,758
License Fees	-	-	262,743	262,743
Nursing Fees	296,373	-	-	296,373
Vital Statistics Fees	306,073	-	-	306,073
Contractual Services	-	-	152,115	152,115
Medicaid	21,205	-	1,955	23,160
Other Receipts	3,649	-	502	4,151
Reimbursements	58,160	-	-	58,160
Grants	-	493,631	1,320,589	1,814,220
Income and Fees	4,300	270	283,078	287,648
Fees/Fines/Permits	-	-	87,022	87,022
<i>Total Receipts</i>	<u>2,924,508</u>	<u>493,901</u>	<u>2,117,647</u>	<u>5,536,056</u>
Disbursements				
Current:				
Salaries - Employees	1,176,887	226,717	1,129,723	2,533,327
PERS	170,911	30,802	154,291	356,004
Supplies	217,703	2,381	13,515	233,599
Unemployment	4,710	-	-	4,710
Equipment	31,927	-	4,285	36,212
Contract Services/Repair	45,393	100,000	341,121	486,514
Contract Services/Other	139,133	-	3,145	142,278
Travel & Expenses	31,576	2,541	31,749	65,866
Advertising & Printing	6,747	-	1,070	7,817
Health Insurance	233,234	66,267	254,305	553,806
Workers Compensation & DWR	26,303	4,536	23,284	54,123
Medicare	15,235	2,779	15,265	33,279
Dental	5,204	979	5,333	11,516
Life Insurance	620	126	642	1,388
Vital Statistics	169,942	-	-	169,942
Maintenance	87,206	-	198,722	285,928
Utilities	70,068	2,591	-	72,659
Market & PR	4,017	-	-	4,017
Lactation	5,590	-	-	5,590
Remittance-State	-	-	97,340	97,340
Other Expense	-	-	2,839	2,839
Wraparound	-	44,312	-	44,312
Admin Costs	-	10,048	5,000	15,048
Returned Grant Funds	-	-	54,607	54,607
Vehicle Purchase	-	-	30,000	30,000
<i>Total Disbursements</i>	<u>2,442,406</u>	<u>494,079</u>	<u>2,366,236</u>	<u>5,302,721</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>482,102</u>	<u>(178)</u>	<u>(248,589)</u>	<u>233,335</u>
Other Financing Sources (Uses)				
Transfers In	-	-	261,814	261,814
Transfers Out	(261,814)	-	-	(261,814)
Advances In	-	-	55,000	55,000
Advances Out	(55,000)	-	-	(55,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(316,814)</u>	<u>-</u>	<u>316,814</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	165,288	(178)	68,225	233,335
<i>Fund Balances Beginning of Year</i>	<u>1,940,750</u>	<u>49,648</u>	<u>725,014</u>	<u>2,715,412</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,106,038</u>	<u>\$ 49,470</u>	<u>\$ 793,239</u>	<u>\$ 2,948,747</u>

See accompanying notes to the basic financial statements

Clark County Combined Health District
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
State Funds	\$ 233,977	\$ 343,990	\$ 343,990	\$ -
Taxes	2,018,021	1,890,758	1,890,758	-
Nursing Fees	270,000	295,496	296,373	877
Vital Statistic Fees	290,000	303,909	306,073	2,164
Medicaid	30,000	21,205	21,205	-
Other Receipts	7,500	7,949	7,949	-
Reimbursements	90,000	58,160	58,160	-
<i>Total Receipts</i>	<u>2,939,498</u>	<u>2,921,467</u>	<u>2,924,508</u>	<u>3,041</u>
Disbursements				
Salaries	1,193,351	1,176,887	1,176,887	-
PERS	178,661	170,911	170,911	-
Supplies	275,458	236,199	241,069	(4,870)
Unemployment	5,000	4,126	4,710	(584)
Equipment	35,000	33,892	31,927	1,965
Contract Services/Other	147,500	147,121	145,583	1,538
Contract Services/Repair	39,000	38,196	50,882	(12,686)
Travel & Expenses	35,100	31,927	33,111	(1,184)
Advertising and Printing	7,500	5,842	6,747	(905)
Health Insurance	233,371	233,234	233,234	-
Worker's Compensation	29,028	26,303	26,303	-
Medicare	17,256	15,235	15,235	-
Dental Insurance	5,325	5,204	5,204	-
Life Insurance	641	620	620	-
Vital Statistics	170,000	169,959	194,692	(24,733)
Maintenance	90,000	119,327	107,478	11,849
Utilities	62,367	62,343	72,393	(10,050)
Marketing and PR	5,000	4,017	4,017	-
Capital Improvement	18,500	13,278	13,278	-
Lactation	5,500	5,480	5,790	(310)
<i>Total Disbursements</i>	<u>2,553,558</u>	<u>2,500,101</u>	<u>2,540,071</u>	<u>(39,970)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>385,940</u>	<u>421,366</u>	<u>384,437</u>	<u>(36,929)</u>
Other Financing Sources (Uses)				
Transfers Out	(275,102)	(261,814)	(261,814)	-
Advances In	20,000	-	-	-
Advances Out	(55,000)	(55,000)	(55,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(310,102)</u>	<u>(316,814)</u>	<u>(316,814)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	75,838	104,552	67,623	(36,929)
<i>Prior Year Encumbrances Appropriated</i>	66,286	66,286	66,286	-
<i>Fund Balance Beginning of Year</i>	<u>1,874,464</u>	<u>1,874,464</u>	<u>1,874,464</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,016,588</u>	<u>\$ 2,045,302</u>	<u>\$ 2,008,373</u>	<u>\$ (36,929)</u>

See accompanying notes to the basic financial statements

Clark County Combined Health District
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
HMG/TANF Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Grants	\$ 500,665	\$ 497,965	\$ 493,631	\$ (4,334)
Other	-	210	270	60
<i>Total receipts</i>	<u>500,665</u>	<u>498,175</u>	<u>493,901</u>	<u>(4,274)</u>
Disbursements				
Salaries	229,019	226,717	226,717	-
PERS	33,129	30,802	30,802	-
Contract Services/Repair	100,000	100,000	100,000	-
Travel & Expenses	6,000	5,541	5,541	-
Health Insurance	67,636	66,267	66,267	-
Worker's Compensation	6,147	4,536	4,536	-
Medicare	3,468	2,779	2,779	-
Dental Insurance	1,006	979	979	-
Life Insurance	124	126	126	-
Utilities	5,000	2,591	3,891	(1,300)
Wraparound	29,809	29,709	47,362	(17,653)
Office Supplies	5,501	4,605	4,881	(276)
Administrative Costs	19,000	19,000	20,048	(1,048)
<i>Total Disbursements</i>	<u>505,839</u>	<u>493,652</u>	<u>513,929</u>	<u>(20,277)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,174)</u>	<u>4,523</u>	<u>(20,028)</u>	<u>(24,551)</u>
<i>Prior Year Encumbrances Appropriated</i>	27,485	27,485	27,485	-
<i>Fund Balance Beginning of Year</i>	<u>22,163</u>	<u>22,163</u>	<u>22,163</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 44,474</u>	<u>\$ 54,171</u>	<u>\$ 29,620</u>	<u>\$ (24,551)</u>

See accompanying notes to the basic financial statements

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 – Reporting Entity

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

An eight-member Board and a Health Commissioner govern the District. Services provided by the District include: prevention and control of diseases, sanitation, vital statistics, abatement and removal of nuisances, and air pollution control.

The District's Management believes this financial statement presents all activities for which the District is financially responsible.

A reporting entity is comprised of the primary government, component units and other organizations ensuring that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For acceptable presentation, this includes general operations, immunization, vital statistics, health related licenses and permits, disease prevention and control, and public health nursing.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the District-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

A. 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 classifies each fund as either governmental, proprietary or fiduciary. The District does not have any proprietary or fiduciary funds.

Governmental Funds - The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. 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 provided it is disbursed or transferred according to Ohio law.

Special Revenue Funds - The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose. The District has the following major Special Revenue Fund:

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

A. Fund Accounting

HMG/TANF Funds – This fund receives Federal grant money used to provide services to the Help Me Grow system in Clark County. These funds are predominantly for early childhood issues including early detection and intervention.

B. Basis of Presentation

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.

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

The statement of net assets presents the cash balances of the governmental activities of the District at year end. The government-wide statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the District's general receipts.

Fund Financial Statements: During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate non-major funds in a single column.

C. Basis of Accounting

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

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

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

D. Cash

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

E. Inventory and Prepaid Items

On the cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

F. Restricted Assets

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

F. Capital Assets

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

G. Compensated Absences

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

H. Fund Balance Reserves

The District reserves those portions of fund equity legally segregated for a specific future use or which are not available for appropriation or disbursement. The District has reserved fund equity for encumbrances.

I. 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 not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

J. Budgetary Data

The major documents prepared are the tax budget, 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 tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts the Board 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 District uses the object level within each fund and function as its legal level of control.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

J. Budgetary Data (continued)

The certificate of estimated resources may be amended during the year if the District projects increases or decreases in receipts. 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 were passed.

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 major funds are presented as part of the financial statements.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include programs mandated by the Ohio Revised Code and grants awarded by the Ohio Department of Health or other agencies. The District’s policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

Note 3 – Budgetary Basis of Accounting

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

	General Fund	HMG/TANF Fund
Budgetary Basis	\$2,008,372	\$29,620
Net Adjustment for Encumbrances	<u>97,666</u>	<u>19,850</u>
Cash Basis	<u>\$2,106,038</u>	<u>\$49,470</u>

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

Note 4 – Property Taxes

The County Commissioners serve as a special taxing authority to levy a special levy outside the property tax ten-mill limitation to provide the District with sufficient funds to carry out health programs and general operations. The County Commissioners placed a countywide (except The City of New Carlisle) levy of 1.0 mill on the ballot in 2001 and gained approval by the electors of the county. This levy is for a period of five years and collections continue through 2007. The County Commissioners also authorized the placement of a 1.0 mill replacement levy on the November 2006 ballot. The voters passed the replacement levy to begin collections in 2008 and continue through 2012.

Note 5 – Interfund Transfers and Advances

Interfund transfers and advances for the year ended December 31, 2007, were as follows:

Transfers from the General Fund to:	
Other Governmental Funds	\$ 261,814
Total Transfers from the General Fund	<u>\$ 261,814</u>
Advances from the General Fund to:	
Major Governmental Fund	\$ -
Other Governmental Funds	\$ 55,000
Total Transfers from the General Fund	<u>\$ 55,000</u>

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The advances were used to move funds to grant program funds that will be paid back at the start of 2008.

Note 6 – Risk Management

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.

Coverage limits - The District has coverage for a variety of instances through PEP. Highlights of the coverage include \$4,000,000 for automobile liability, \$4,000,000 for medical malpractice and \$4,000,000 for Public Health Department liability.

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

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

Note 6- Risk Management (Continued)

Casualty Coverage- PEP retains up to \$250,000 per claim, including loss adjustment expenses. PEP makes an annual contribution to APEEP. APEEP reinsures casualty claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. If losses exhaust PEP's net assets, APEEP covers PEP's retained casualty risk up to \$10,000,000 per year, subject to a per-claim limit of \$2,000,000. Local political subdivisions can elect additional coverage, up to a total limit of \$12,000,000 from the General Reinsurance Corporation.

Property Coverage- PEP retains property risks, including automobile physical damage, up to \$100,000 in any one occurrence. APEEP reinsures property losses that are greater than \$100,000 up to \$250,000 per occurrence. The Travelers Indemnity Company reinsures losses exceeding \$250,000 up to \$600,000,000 per occurrence.

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

Financial Position- PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available).

<u>Casualty & Property Coverage</u>	<u>2007</u>	<u>2006</u>
Assets	\$37,560,071	\$36,123,194
Liabilities	<u>(17,340,825)</u>	<u>(16,738,904)</u>
Retained earnings	<u>\$20,219,246</u>	<u>\$19,384,290</u>

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately \$15.0 million and \$14.4 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$110,023. This payable includes the subsequent year's contribution due if the Government terminates participation, as described in the last paragraph below.

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

<u>Contributions to PEP</u>	
2005	\$61,616
2006	\$62,635
2007	\$59,159

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

Note 6- Risk Management (Continued)

Financial Position (Continued)

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

County Commissioner Association of Ohio Workers' Compensation Group Rating Plan

For 2007, the District, through the County of Clark as their fiscal agent, participated in the County/Commissioners Association of Ohio Workers' Compensation Group Rating Plan ("the GRP"), an insurance purchasing pool.

The intent of the GRP is to achieve a reduced premium for the District by virtue of its grouping with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than the individual rate.

The GRP then calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from, or pays rate equalization rebates to the various participants. Participation in the plan is limited to counties that can meet the Plan's selection criteria.

Employee Medical Benefits

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

The cost of the program for 2007 was \$553,806 compared to \$534,304 in 2006. This shows a 3.65 percent increase in one year. The increase is due to the overall 4 percent increase by the carrier and plan changes by staff members.

The District also participates in group dental plans with Manage Care of America and Superior.

The total cost for the combined programs was \$11,516 for 2007 and \$11,206 for 2006. This indicates a 2.8 percent increase.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

Note 7- Ohio Public Employees Retirement System (OPERS)

The District participates in the OPERS which administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand alone financial report that may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, members of all three plans, were required to contribute 9.50 percent of their annual covered salary to fund pension obligations. The District's contribution rate for pension benefits for 2007 was 13.85 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contribution for pension obligations to the traditional, combined, and member directed plans for the years ended December 31, 2007 and 2006, were \$356,044, and \$341,556, respectively. The 4.24% increase is attributed to raises (3.0% average), the increase of the employer contribution, additional employees paid by grants, and the replacement of higher paid employees with newer employees with lower salaries.

Note 8- Postemployment 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 recipients and primary survivor 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 2007 employer contribution rate was 14.0 percent of covered payroll and 5.0 percent through June 30, 2007 and 6.0 percent for the remainder of year was the portion used to fund health care.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

Note 8- Postemployment Benefits (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's 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.

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.

Note 9 – Contingent Liabilities

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

Note 10 – Contractual Obligations

The District is a party to a multi-year lease for rental of office space. This lease was initiated June 13, 2002 and is renewable through December 31, 2016. This lease requires the District to remit quarterly. The lease payment is \$15,000 per quarter with an annual reconciliation for the maintenance and custodial costs. All utilities are the responsibility of the Combined Health District. An addendum to the lease was entered into in September of 2004. This is an increase in the lease payments by \$28,118 per year, due by the end of May of each year beginning in 2005 and terminating after the fifth payment in 2009.

CLARK COUNTY COMBINED HEALTH DISTRICT

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Disbursements
U.S. Department of Health and Human Services			
(Passed through Ohio Department of Health)			
Childhood Lead Poisoning Prevention Grant	1210011BD07	93.197	\$ 44,044.45
	01210011LD0108		<u>36,623.97</u>
Total Childhood Lead Poisoning Prevention Grant			80,668.42
Immunization Action Plan Grant	1210012AZ06	93.268	6,510.51
	1210012AZ07		<u>58,039.33</u>
Total Immunization Action Plan Grant			64,549.84
Ohio Infant Mortality Reduction Initiative Grant	1210011DM07	93.994	156,876.17
	01210011MC0108		<u>147,404.29</u>
Total Ohio Infant Mortality Reduction Initiative Grant			304,280.46
Public Health Infrastructure Grant	1210012BI07	93.283	156,108.81
	01210012PI0108		<u>59,377.27</u>
Total Public Health Infrastructure Grant			215,486.08
U.S. Department of Public Safety			
(Passed through Ohio Department of Public Safety)			
Safe Communities Grant	SC-2007-12-00-00-00613-00	20.600	31,663.55
	SC-2008-12-00-00-00272-00		<u>-</u>
Total United States Department of Public Safety			31,663.55
Total Federal Awards Expenditures			<u><u>\$ 696,648.35</u></u>

See accompanying notes to the Schedule of Federal Awards Expenditures

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) is a summary of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*.

NOTE B – MATCHING REQUIREMENTS

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

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

June 27, 2008

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

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Clark County Combined Health District** (the District) as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 27, 2008, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Internal Control Over Financial Reporting (Continued)

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

We noted one internal control matter that we reported to the District's management in a separate letter dated June 27, 2008.

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 that we must report under *Government Auditing Standard*.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

Perry & Associates
Certified Public Accountants, A.C.

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

June 27, 2008

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

To the Board of Health:

We have audited the compliance of the **Clark County Combined Health District** (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement, that apply to its major federal program for the year ended December 31, 2007. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its 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 Clark County Combined Health District, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2007.

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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-consequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with federal program's compliance requirements.

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

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material significant deficiencies reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable significant deficiencies reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Maternal and Child Health Services CFDA # 93.994
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

**CLARK COUNTY COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Financial Statement Presentation – classifications of funds.	Yes	N/A



Mary Taylor, CPA
Auditor of State

CLARK COUNTY COMBINED HEALTH DISTRICT

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 16, 2008**