

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

Audit Report

Year Ended December 31, 2012





Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Greene County Combined Health District, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 28, 2013

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GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
AUDIT REPORT
For the year ended December 31, 2012

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Members of the Board:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Combined Health District, Greene County, Ohio, as of December 31, 2012, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Clinic Health Services Fund, Environmental Plumbing/Inspection Fund and Food Services Operations Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Supplemental and Other Information

We audited to opine on the District's financial statements that collectively comprise its basic financial statements. *Management's Discussion & Analysis* includes tables of net position and changes in net position. The Schedule of Federal Awards Expenditures (Schedule) is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These tables and the Schedule provide additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2013 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
May 24, 2013

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

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

This discussion and analysis of the Greene County Combined Health District's (the District) financial performance provides an overall review of the financial activities for the year ended December 31, 2012 within the limits of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2012 are as follows:

- Total net position increased by \$784,674 during 2012.
- Most of the District's revenue was associated intergovernmental funding, from local, state and federal sources.

Using the Basic Financial Statements

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

Report Components

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

Basis of Accounting

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

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

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

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

Reporting the Government as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2012 within the limits of cash basis accounting. The statement of net position presents the cash balances of the District at year end. The statement of activities presents the revenue and disbursement activity during 2012.

Table 1 provides a summary of the District's net position for 2012 compared to 2011.

**TABLE 1
NET POSITION
DECEMBER 31, 2012**

	Governmental Activities 2012	Governmental Activities 2011
Assets:		
Equity in Pooled Cash and Cash Equivalents	<u>\$ 3,623,578</u>	<u>\$ 2,838,905</u>
Total Assets	<u>\$ 3,623,578</u>	<u>\$ 2,838,905</u>
Net Position:		
Restricted for:		
Other Purposes	\$ 1,382,968	\$ 1,357,265
Unrestricted	<u>2,240,610</u>	<u>1,481,640</u>
Total Net Position	<u>\$ 3,623,578</u>	<u>\$ 2,838,905</u>

As mentioned previously, net position increased by \$784,674 during 2012. The increase was primarily associated with funds restricted for specific grants and programs.

FUND FINANCIAL STATEMENTS REPORTING MAJOR FUNDS

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

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

Table 2 reflects the changes in net position during 2012

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities 2012	Governmental Activities 2011
Receipts:		
Program Receipts:		
Charges for Services	\$ 1,590,073	\$ 1,653,544
Operating Grants	1,528,859	1,548,646
General Receipts:		
Property and Other Local Taxes	2,642,853	1,583,344
Subdivision Fees	121,970	121,970
Unrestricted Grants	431,426	287,161
Miscellaneous	<u>54,675</u>	<u>128,830</u>
Total Receipts	<u>6,369,856</u>	<u>5,323,495</u>
Disbursements:		
Public Health Services	<u>5,585,182</u>	<u>5,099,256</u>
Total Disbursements	<u>5,585,182</u>	<u>5,099,256</u>
Net Change in Net Position	784,674	224,239
Net Position, Beginning of Year	<u>2,838,904</u>	<u>2,614,665</u>
Net Position, End of Year	<u>\$ 3,623,578</u>	<u>\$ 2,838,905</u>

During 2012, the District's net change in position increased from \$224,239 in 2011 to \$784,674, in 2012, whereas disbursements remained relatively the same as in 2011.

The District relies on diverse revenue streams to provide services to County residents. The District receives tax revenue generated from .8 mill property tax levy assessment and relies on intergovernmental revenue provided through federal, state and local grants. The largest category of disbursements was Salaries and related benefits. The District employs approximately 63 full-time employees.

BUDGETARY HIGHLIGHTS

The District made numerous revisions to the original appropriation approved by the Board and the Board's fiscal agent, the Greene County Budget Commission. Overall, these changes resulted in little significant change in the fund balance. During 2012, the District spent about 90% of the amount appropriated in the General Fund. The District's 2012 financial statements include budgetary statements for the General Fund, Clinic Health Services Fund (CHS), Environmental Health Plumbing/Inspection and Food Service/Operations Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

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

Debt

The District has no debt obligations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

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

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2012

	<u>Governmental Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,623,578
Total Assets	<u>3,623,578</u>
<u>Net Position</u>	
Restricted For:	
Other Purposes	1,382,968
Unrestricted	2,240,610
Total Net Position	<u>\$ 3,623,578</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

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

	<u>Program Cash Receipts</u>			<u>Net (Disbursements)</u>
	<u>Cash</u>	<u>Charges for</u>	<u>Operating</u>	<u>Receipts and</u>
Governmental Activities	<u>Disbursements</u>	<u>Services</u>	<u>Grants and</u>	<u>Changes in Net Position</u>
			<u>Contributions</u>	
Public Health Services	<u>\$ 5,585,182</u>	<u>\$ 1,590,073</u>	<u>\$ 1,528,859</u>	<u>\$ (2,466,250)</u>
		<u>General Receipts:</u>		
				2,642,853
				121,970
				431,426
				<u>54,675</u>
				<u>3,250,924</u>
				784,674
				<u>2,838,904</u>
				<u>\$ 3,623,578</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

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

	<u>General</u>	<u>Clinic Health Services Fund</u>	<u>Environmental Plumbing/ Inspection Fund</u>	<u>Food Service Operations Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>						
Equity in Pooled Cash and Cash Equivalents	\$ 2,240,610	\$ 94,364	\$ 167,652	\$ 75,405	\$ 1,045,547	\$ 3,623,578
Total Assets	<u>2,240,610</u>	<u>94,364</u>	<u>167,652</u>	<u>75,405</u>	<u>1,045,547</u>	<u>3,623,578</u>
<u>Fund Balances</u>						
Restricted	-	94,364	167,652	75,405	1,045,547	1,382,968
Assigned	14,894	-	-	-	-	14,894
Unassigned	2,225,716	-	-	-	-	2,225,716
Total Fund Balances	<u>\$ 2,240,610</u>	<u>\$ 94,364</u>	<u>\$ 167,652</u>	<u>\$ 75,405</u>	<u>\$ 1,045,547</u>	<u>\$ 3,623,578</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General	Clinic Health Services Fund	Environmental Plumbing/ Inspection Fund	Food Service Operations Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property and Other Local Taxes	\$ 2,642,853	-	-	-	-	\$ 2,642,853
Subdivision fees	121,970	-	-	-	-	121,970
Fees, Licenses & Permits	180,202	\$ 80,810	\$ 356,566	\$ 344,451	\$ 394,386	1,356,415
Contractual Services	233,658	-	-	-	-	233,658
Federal Grants	-	-	-	-	982,859	982,859
State Grants	373,660	-	-	-	112,316	485,976
Local Grants	-	-	-	-	30,000	30,000
Other Grants	57,766	-	-	-	403,684	461,450
Miscellaneous	24,994	740	4,238	15,291	9,412	54,675
Total Receipts	3,635,103	81,550	360,804	359,742	1,932,657	6,369,856
DISBURSEMENTS						
Current:						
Public Health Services						
Salaries	741,602	360,865	240,872	282,568	1,517,881	3,143,788
Materials & Supplies	32,490	55,436	10,755	10,018	113,116	221,815
Remittance to State	96,113	-	775	22,418	150,582	269,888
Equipment and Vehicles	99,002	2,385	769	3,832	20,455	126,443
Contracts - Repairs	8,175	34	18,145	24,896	4,373	55,623
Contracts - Services	60,084	5,780	4,151	3,337	206,063	279,415
Travel and Training	13,710	2,361	1,122	2,739	33,961	53,893
Advertising and Printing	3,496	171	37	485	36,567	40,756
Public Employees' Retirement	108,427	52,008	35,212	40,942	214,643	451,232
Worker's Compensation	12,198	6,322	4,644	5,019	26,393	54,576
Utilities	10,317	4,481	3,707	3,666	20,419	42,590
Insurance	114,142	75,477	62,900	64,333	310,385	627,237
Other	53,877	6,987	11,996	6,688	138,378	217,926
Total Disbursements	1,353,633	572,307	395,085	470,941	2,793,216	5,585,182
Excess of Receipts Over (Under) Disbursements	2,281,470	(490,757)	(34,281)	(111,199)	(860,559)	784,674
Other Financing Sources (Uses)						
Transfers In	-	550,000	90,000	90,000	850,000	1,580,000
Transfers Out	(1,580,000)	-	-	-	-	(1,580,000)
Advances In	57,500	-	-	-	-	57,500
Advances Out	-	-	-	-	(57,500)	(57,500)
Total Other Financing Sources (Uses)	(1,522,500)	550,000	90,000	90,000	792,500	-
Net Change in Fund Balances	758,970	59,243	55,719	(21,199)	(68,059)	784,674
Fund Balances Beginning of Year	1,481,640	35,121	111,933	96,604	1,113,606	2,838,904
Fund Balances End of Year	\$ 2,240,610	\$ 94,364	\$ 167,652	\$ 75,405	\$ 1,045,547	\$ 3,623,578

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
State Grants	\$ 335,500	\$ 355,500	\$ 373,660	\$ 18,160
Subdivision Fees	121,970	121,970	121,970	-
Tax Levies	2,561,000	2,561,000	2,642,853	81,853
Licenses, Permits, & Fees	170,000	170,000	180,202	10,202
Contractual Services	233,658	233,658	233,658	-
Other Grants	-	-	57,766	57,766
Miscellaneous	4,000	4,000	24,994	20,994
Total Receipts	<u>3,426,128</u>	<u>3,446,128</u>	<u>3,635,103</u>	<u>188,975</u>
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	805,483	808,895	741,602	67,293
Materials & Supplies	31,445	50,673	36,359	14,314
Remittance to State	115,000	113,000	96,113	16,887
Equipment and Vehicles	101,150	101,150	100,262	888
Contracts - Repairs	5,075	15,075	8,675	6,400
Contracts - Services	116,970	90,491	61,838	28,653
Travel and Training	15,200	21,200	17,589	3,611
Advertising and Printing	5,420	5,420	4,295	1,125
Public Employees' Retirement	112,768	112,768	108,427	4,341
Worker's Compensation	16,110	12,198	12,198	-
Utilities	16,000	16,000	11,605	4,395
Insurance	138,302	143,302	114,142	29,160
Other	62,038	70,810	55,422	15,388
Total Disbursements	<u>1,540,961</u>	<u>1,560,982</u>	<u>1,368,527</u>	<u>192,455</u>
Excess of Receipts Over (Under) Disbursements	1,885,167	1,885,146	2,266,576	381,430
Other Financing Sources (Uses)				
Transfers Out	(1,460,000)	(1,640,000)	(1,580,000)	60,000
Advances In	1,120,000	1,120,000	57,500	(1,062,500)
Advances Out	(1,120,000)	(915,000)	-	915,000
Total Other Financing Sources (Uses)	<u>(1,460,000)</u>	<u>(1,435,000)</u>	<u>(1,522,500)</u>	<u>(87,500)</u>
Net Change in Fund Balances	425,167	450,146	744,076	293,930
Fund Balance Beginning of Year	1,463,210	1,463,210	1,463,210	-
Prior Year Encumbrances Appropriated	18,430	18,430	18,430	-
Fund Balance End of Year	<u>\$ 1,906,807</u>	<u>\$ 1,931,786</u>	<u>\$ 2,225,716</u>	<u>\$ 293,930</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CLINIC HEALTH SERVICES FUND
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
RECEIPTS				
Licenses, Permits, & Fees	\$ 117,000	\$ 117,000	\$ 80,810	\$ (36,190)
Miscellaneous	-	-	740	740
Total Receipts	<u>117,000</u>	<u>117,000</u>	<u>81,550</u>	<u>(35,450)</u>
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	300,941	383,941	360,865	23,076
Materials & Supplies	65,925	59,325	58,564	761
Equipment and Vehicles	10,000	5,000	3,310	1,690
Contracts - Services	28,950	7,450	6,164	1,286
Travel and Training	8,108	6,108	3,996	2,112
Advertising and Printing	2,500	500	255	245
Public Employees' Retirement	52,212	54,212	52,483	1,729
Worker's Compensation	7,459	6,323	6,322	1
Utilities	7,237	7,237	5,293	1,944
Insurance	84,850	78,350	75,477	2,873
Other	12,455	12,192	7,222	4,970
Total Disbursements	<u>580,637</u>	<u>620,638</u>	<u>579,951</u>	<u>40,687</u>
Excess of Receipts Over (Under) Disbursements	(463,637)	(503,638)	(498,401)	5,237
Other Financing Sources (Uses)				
Transfers In	<u>428,517</u>	<u>478,517</u>	<u>550,000</u>	<u>71,483</u>
Total Other Financing Sources (Uses)	<u>428,517</u>	<u>478,517</u>	<u>550,000</u>	<u>71,483</u>
Net Change in Fund Balances	(35,120)	(25,121)	51,599	76,720
Fund Balance Beginning of Year	32,046	32,046	32,046	-
Prior Year Encumbrances Appropriated	<u>3,076</u>	<u>3,076</u>	<u>3,076</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 2</u>	<u>\$ 10,001</u>	<u>\$ 86,721</u>	<u>\$ 76,720</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ENVIRONMENTAL PLUMBING/INSPECTIONS FUND
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
RECEIPTS				
Licenses, Permits, & Fees	\$ 310,000	\$ 310,000	\$ 356,566	\$ 46,566
Miscellaneous	-	-	4,238	4,238
Total Receipts	<u>310,000</u>	<u>310,000</u>	<u>360,804</u>	<u>50,804</u>
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	269,263	262,938	240,872	22,066
Materials & Supplies	11,855	13,854	11,998	1,856
Equipment and Vehicles	6,000	1,000	769	231
Contracts - Repair	2,000	19,000	18,245	755
Contracts - Services	7,000	5,000	4,151	849
Travel and Training	3,400	2,141	1,722	419
Advertising and Printing	2,000	100	37	63
Public Employees' Retirement	37,697	37,697	35,212	2,485
Worker's Compensation	5,385	4,644	4,644	-
Utilities	5,694	5,694	4,346	1,348
Insurance	80,508	80,333	62,900	17,433
Other	19,100	17,001	13,421	3,580
Total Disbursements	<u>449,902</u>	<u>449,402</u>	<u>398,317</u>	<u>51,085</u>
Excess of Receipts Over (Under) Disbursements	(139,902)	(139,402)	(37,513)	101,889
Other Financing Sources (Uses)				
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>90,000</u>	<u>(60,000)</u>
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>90,000</u>	<u>(60,000)</u>
Net Change in Fund Balances	10,098	10,598	52,487	41,889
Fund Balance Beginning of Year	108,651	108,651	108,651	-
Prior Year Encumbrances Appropriated	<u>3,282</u>	<u>3,282</u>	<u>3,282</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 122,031</u>	<u>\$ 122,531</u>	<u>\$ 164,420</u>	<u>\$ 41,889</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOOD SERVICES FUND

For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Licenses, Permits, & Fees	\$ 340,000	\$ 340,000	\$ 344,451	\$ 4,451
Miscellaneous	-	15,047	15,291	244
Total Receipts	<u>340,000</u>	<u>355,047</u>	<u>359,742</u>	<u>4,695</u>
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	286,117	287,317	282,568	4,749
Materials & Supplies	11,750	13,930	11,398	2,532
Remittance to State	24,000	24,000	22,418	1,582
Equipment and Vehicles	15,000	4,000	3,832	168
Contracts - Repair	22,500	25,600	24,896	704
Contracts - Services	2,000	4,000	3,337	663
Travel and Training	3,300	3,300	3,039	261
Advertising and Printing	650	650	485	165
Public Employees' Retirement	40,056	46,056	44,467	1,589
Worker's Compensation	5,722	5,722	5,019	703
Utilities	5,599	5,599	4,130	1,469
Insurance	64,122	66,591	64,333	2,258
Other	8,225	9,145	6,688	2,457
Total Disbursements	<u>489,041</u>	<u>495,910</u>	<u>476,610</u>	<u>19,300</u>
Excess of Receipts Over (Under) Disbursements	(149,041)	(140,863)	(116,868)	23,995
Other Financing Sources				
Transfers In	<u>60,000</u>	<u>60,000</u>	<u>90,000</u>	<u>30,000</u>
Fund Balance Beginning of Year	94,781	94,781	94,781	-
Prior Year Encumbrances Appropriated	<u>1,824</u>	<u>1,824</u>	<u>1,824</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 7,564</u>	<u>\$ 15,742</u>	<u>\$ 69,737</u>	<u>\$ 23,995</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

1. DESCRIPTION OF THE COMBINED HEALTH DISTRICT AND REPORTING ENTITY

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

Reporting Entity

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements follow the cash basis of accounting. The District's Basic Financial Statements consists of government-wide statements, including a Statement of Net Position, 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 Position 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 Position 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 receipts 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. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct expenses with program receipts identifies the extent to which each governmental program is self-financing or draws from the general receipts of the District.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

3. Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

4. Measurement Focus

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

5. Basis of Accounting

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

B. Cash

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

C. Capital Assets

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

D. Long-term Debt Obligations

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

E. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process

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

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

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

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

G. Accumulated Leave

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

H. Fund Balances

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

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fund Balances (Continued)

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board, which includes giving the Director of Administrative Services the authority to constrain monies for intended purposes.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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 Cash Receipts, Disbursements and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis presented for the General, Clinic Health Services, Environmental Plumbing and Inspection and Food Service Operations funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as Assigned, Committed or Restricted fund balance (cash basis). During 2012, the encumbrances outstanding at year end (budgetary basis) amounted to \$14,894 for the General Fund, \$7,644 for the Clinic Health Services Fund, \$3,232 for the Environmental Plumbing Inspections Fund and \$5,669 for the Food Service Operations Fund.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

4. CASH AND CASH EQUIVALENTS

The Greene County Commissioners maintain a cash pool used by all of the County’s funds, including those of the Combined Health District. The Ohio Revised Code prescribes allowable deposits and investments. At year-end, the carrying amount of the District’s deposits with the Greene County Commissioner was \$3,623,578. The Greene County Board of Commissioners, as the fiscal agent for the District, is responsible for maintaining adequate depository collateral for all funds in the County’s pooled cash and deposits accounts.

5. CHANGE IN ACCOUNTING PRINCIPLE

For 2012, the District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the District’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.

6. PROPERTY TAXES

The Greene County Commissioners serve as a special taxing authority to levy a special levy outside the property tax ten-mill limitation to provide the District with sufficient funds to carry out health programs and general operations. The County Commissioners have placed a countywide levy of .8 mills on the ballot that gained approval by the electors of the county.

7. INTERFUND BALANCES

Unpaid interfund cash advances at December 31, 2012 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 242,501	\$ -0-
Clinic Health Services Fund	118,439	-0-
Other Governmental Funds	-0-	360,940
Total	<u>\$ 360,940</u>	<u>\$ 360,940</u>

8. INTERFUND TRANSFERS

The District transferred cash for grant reimbursement purposes due to the timing of the receipt of grant monies during 2012, see below:

Funds	From	To
General Fund	\$1,580,000	\$ -0-
Clinic Health Services Fund	-0-	\$ 550,000
Environmental Plumbing/Inspection Fund	-0-	90,000
Food Service	-0-	90,000
Other Governmental Funds	-0-	850,000
Total	<u>\$1,580,000</u>	<u>\$1,580,000</u>

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

9. RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees. The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2011, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2011 and 2010. (the latest information available):

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

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13.0 million and \$12.9 of estimated incurred claims payable. The assets and retained earnings above include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, respectively. PEP will collect these amounts in the future annual premium billings when PEP's related liabilities are due for payment. As of December 31, 2012 the District's share of these unpaid claims collectible in future years is \$ 32,000.

Based on discussion 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 each year of the membership.

<u>Contributions to PEP</u>	
▪ 2012	\$ 35,870
▪ 2011	33,905

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

9. RISK MANAGEMENT (continued)

Members may withdraw in each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of their anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus subsequent year's premium. Also, upon withdrawal, payments of all property and casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Settled claims have not exceeded this coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year. The District also provides health insurance, dental, and vision coverage to full-time employees through a private carrier.

10. PENSION OBLIGATIONS

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as follows: The Traditional Pension Plan – a cost sharing, multiple-employer defined 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, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, Oh 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2012 member contribution rates were 10.0% of covered payroll for members in state and local classifications. The 2012 employer contribution rate for state and local employers was 14.0% for covered payroll. The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$451,232, \$414,280, and \$428,347, respectively; 100 percent has been contributed for all three years.

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both Traditional Pension and the Combined plans. Members of the Member-Directed do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, Oh 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for funding of post retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0% of covered payroll. These are the maximum employer contributions rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

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

The rates stated above are the contractually required contribution rates for OPERS. The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$128,601, \$118,360 and \$168,340, respectively; 100 percent has been contributed for all years.

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

12. CONTINGENCIES

A. Litigation

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

B. Grants

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

13. CONTRACTUAL COMMITMENTS

During the year-ended December 31, 2012, the District had \$279,415 in contractual commitments for services provided. Some of the following commitments were funded by federal and state programs.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012

<u>VENDORS/CONTRACTORS</u>	<u>AMOUNT</u>
Emerge Inc.	\$ 24,750
Dell Marketing	6,738
Quadex	1,384
CHC Maintenance	1,930
Medical Waste Pickup	3,743
W.S. Electronics	1,358
CHC Software	2,080
Medical Waste - Waste Management	898
Next Step Networking	1,274
Greene Co. Emergency Management	1,079
K4 Architecture	3,000
Greene Co. Parks and Recreation	607
Treasurer State of Ohio-MARCS Radios	720
Dawns & Hurst Legal Services Rendered	540
Wright State University Pub. Hlth. Assessment	21,229
United Parcel Service	1,109
Terry Simmon's Lawn Service	1,890
Waste Management of Ohio	5,471
Cannon Financial Services	6,123
Key Equipment Financing	1,885
Snyder Solutions	180
Mid American Cleaning	3,000
R.P. Dillaplain, MD. Medical Director	6,240
Family Service Association Interpreters	207
Compunet Labs	16,785
Universal Medical Services Association	416
I H S Pharmacy	162
Greene Radiology	942
Clinton Memorial Hosp. Family	1,050
Cirrus Concept Consulting	24,469
Jennifer Frey, MD	6,065
Keith A. Watson, MD	1,809
Katherine S. Lin, MD	6,371
James Bembry, MD	4,759
Miami Valley Interpreters	57
Cintas Log Uniforms	2,693
Liberty Tire Recycling	115,000
5K Race Management	890
Elaine Hughes	300
Affordable Language Services	198
TOTAL OF CONTRACTUAL COMMITMENTS	\$ 279,415

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012

14. FUND BALANCES

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

Funds	Restricted	Assigned	Unassigned	Total
Restricted for:				
Solid Waste	\$ 101,538	\$ -	\$ -	\$101,538
Water Program	30,440	-	-	30,440
Swimming Pool	27,502	-	-	27,502
Trailer Park	27,505	-	-	27,505
Tuberculosis	78,253	-	-	78,253
Dental	84,356	-	-	84,356
Safe Communities	43,333	-	-	43,333
Injury Prevention	170,783	-	-	170,783
Mattell Settlement	15,911	-	-	15,911
Infant Immunization	49,610	-	-	49,610
WIC	160,735	-	-	160,735
Pub. Health Preparedness	92,217	-	-	92,217
CFHSP	71,772	-	-	71,772
Reproductive Health	<u>91,592</u>	-	-	<u>91,592</u>
Total Other Governmental Funds	<u>1,045,547</u>	-	-	<u>1,045,547</u>
Clinic Health Service	94,364	-	-	94,364
Environmental Plumbing Inspection	167,652	-	-	167,652
Food Service	75,405	-	-	75,405
General Fund	-	<u>14,894</u>	<u>2,225,716</u>	<u>2,240,610</u>
Total Fund Balances	<u>\$1,382,968</u>	<u>\$192,691</u>	<u>\$2,225,716</u>	<u>\$3,623,578</u>

GREENE COUNTY COMBINED HEALTH DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor / Pass Through Grantor / Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE:			
Passed through Ohio Department of Health:			
Women, Infants and Children	291001CL-12	10.557	\$ 410,365
	291001CL-13	10.557	<u>70,894</u>
Total for United States Department of Agriculture			<u>481,259</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION:			
Passed through Ohio Department of Public Safety:			
Safe Communities	29-000381-12	20.600	<u>35,932</u>
Total for United States Department of Transportation			<u>35,932</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through Ohio Department of Health:			
Centers for Disease Control & Prevention - Investigation & Technical Assistance	29-1-001-2-B1-12	93.283	124,464
Public Health Infrastructure	29-1-001-2-B1-13	93.283	<u>29,471</u>
Subtotal			153,935
Reproductive Health and Wellness	0291001-12	93.209	105,000
	0291001-13	93.209	<u>70,000</u>
Subtotal			175,000
Maternal & Child Health Services Block Grant	29-1-001-1-MC-12	93.994	58,800
	29-1-001-1-MC-13	93.994	<u>40,400</u>
Subtotal			99,200
Centers for Disease Control & Prevention – Immunization Grant	29-1001-AZ-12	93.268	<u>37,532</u>
Subtotal			<u>37,532</u>
Total for - U.S. Department of Health and Human Services			<u>465,667</u>
Total Federal Assistance			<u>\$ 982,858</u>

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

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.

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

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

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

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greene County Combined Health District, Greene County (the District), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 24, 2013, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
May 24, 2013

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

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

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

To the Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited the Greene County Combined Health District's, Greene County (District), compliance with the applicable requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended December 31, 2012. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assurance whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

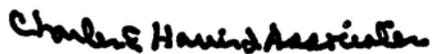
Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a *material weakness in internal control over compliance*, yet important enough to merit attention by those charged with governance.

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 over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
May 24, 2013

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
December 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
December 31, 2012

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2011, reported no material citations or recommendations.



Dave Yost • Auditor of State

GREENE COUNTY COMBINED HEALTH DISTRICT

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 11, 2013**