



Dave Yost • Auditor of State

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Champaign Health District
Champaign County
1512 S. US Highway 68
Suite Q100
Urbana, Ohio 43078

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 Champaign Health District, Champaign County, (the District), as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Champaign Health District, Champaign County, as of December 31, 2010 and 2009, and the respective changes in financial position and the respective budgetary comparisons for the General and PHEP/PHER/MRC, Help Me Grow, and WIC funds for the year ended December 31, 2009 and the General PHEP/PHER/MRC, and WIC funds for the year ended December 31, 2010, in conformity with the basis of accounting note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

May 31, 2011

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

This discussion and analysis of the Champaign Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2010, within the limitations of the Health District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Health District's financial performance.

Highlights

Key highlights for 2010 are as follows:

- Net assets from all governmental activities increased by \$113,449, a significant change predominantly due to the second year of five year levy collection and pandemic flu response Dollars.
- Program specific receipts in the form of charges for services, operating grants and contributions, and contract services comprise the largest percentage of the Health District's receipts, making up almost 64 percent of all the dollars coming into the District. General receipts in the form of and unrestricted grants make up the other 36 percent. This is approximately the same split as in 2009.
- The Health District had \$ 1,093,324 in disbursements during 2010.
- Grant revenue increased by \$49,108; this is due to the attainment of the Public Health Emergency Response dollars received to provide public health response to Pandemic H1N1 activities for the county. The total amount received was \$153,237 for H1N1 specific activities. The total amount was not an overall increase in grant dollars, as the Help Me Grow monies decreased \$80,094 due to changes in the State budget and the mechanism for delivery of services in Champaign County.

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 Health District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health 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 Help Me Grow Grant fund was no longer a major fund in 2010.

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

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)
(Continued)**

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 the generally accepted accounting principles. Under the Health 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 Health District as a Whole

The Champaign 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 Health District is directed by a five-member Board of Health that appoints a Health Commissioner as its Executive Officer. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, vital statistics, and the issuance of health-related licenses and permits. The Health 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 Health District did financially during 2010 within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Health 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, and grants and contributions 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 Health District's general receipts.

These statements report the Health District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Health District's financial health. Over time, increases or decreases in the Health District's cash position is one indicator of whether the Health District's financial health is improving or deteriorating.

When evaluating the Health District's financial condition, you should also consider other non-financial factors. Such as, the extent of the Health District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in in-side millage as a local revenue source.

In the statement of net assets and the statement of activities, all Health District activities are reported as governmental. State and federal grants, fees, and inside millage finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them; particularly in the personal health services division. The Health District has no business-type activities.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)
(Continued)**

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the Health District's major funds – not the Health District as a whole. The Health 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 Health District's activities are reported in Governmental funds. The Governmental fund financial statements provide a detailed view of the Health 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 Health District's programs. The Health District's significant Governmental funds are presented on the financial statements in separate columns.

The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Health District's major Governmental funds are the General Fund, the Public Health Infrastructure/Emergency Response Fund, and the WIC Fund. The programs reported in Governmental funds are closely related to those reported in the Governmental Activities section of the entity-wide statements.

The Health District as a Whole

Table 1 provides a summary of the Health District's net assets for 2008 on a cash basis. A comparative analysis will be presented.

**(Table 1)
Net Assets**

	Governmental Activities	
	2010	2009
Assets		
Cash and Cash Equivalents	\$542,570	\$429,121
Total Assets	<u>542,570</u>	<u>429,121</u>
Net Assets		
Restricted for:		
Restricted	127,217	101,901
Unrestricted	<u>415,353</u>	<u>327,220</u>
Total Net Assets	<u>\$542,570</u>	<u>\$429,121</u>

As mentioned previously, net assets of all governmental activities increased by \$113,449 during 2010. The primary reasons contributing to the increases in cash balances are as follows:

- Levy Collections
- Public Health Emergency Response Grant

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)
(Continued)**

Table 2 reflects the changes in net assets in 2010. A comparative analysis of District-wide data is presented.

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

	Governmental Activities	
	2010	2009
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 276,793	\$ 250,981
Operating Grants and Contributions	495,078	445,970
Total Program Receipts	<u>771,871</u>	<u>696,951</u>
General Receipts:		
Revenue from Subdivisions	168,500	168,500
State Subdivisions	6,810	11,161
Levy	259,592	264,680
Total General Receipts	<u>434,902</u>	<u>444,341</u>
Total Receipts	<u>1,206,773</u>	<u>1,141,292</u>
Disbursements:		
Environmental Health:		
Food Program	81,412	87,946
Solid Waste	5,267	5,283
Swimming Pools	3,238	3,056
MHP/Camps	4,515	5,543
Plumbing	21,392	21,946
Sewage	40,552	27,432
Other Environmental Health	149,378	180,160
Personal Health Services	68,899	39,409
Immunizations	14,609	55,535
Laboratory	2,734	6,604
Grants:		
WIC	139,553	118,075
Help Me Grow	50,556	126,595
Immunizations	20,913	15,819
MRC	5,247	4,705
Public Health Infrastructure	248,879	180,663
Vital Statistics	24,324	22,850
Child Abuse Prevention	4,730	5,007
Administration	190,040	93,713
Travel/Training	17,086	15,516
Other Health Expenditure		10,019
Total Disbursements	<u>1,093,324</u>	<u>1,025,426</u>
Increase (Decrease) in Net Assets	113,449	115,866
Net Assets, January 1, 2008	429,121	313,255
Net Assets, December 31, 2008	<u>\$ 542,570</u>	<u>\$ 429,121</u>

General receipts represent 36 percent of the Health District's total receipts, and of this amount, 39 percent are local taxes (revenue from subdivisions) provided by each municipality and District in the county. Levy dollars represent 60 percent of general receipts, with the remaining amount at less than 2 percent provided by the State Subsidy at less than \$0.17 per capita.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)
(Continued)**

Disbursements for the Health District represent the overhead costs of running the Health District and the support services provided for the other District activities. These include primarily the costs of personnel and personnel support at 75 percent of total disbursements, as the primary product of the Health District is preventive health services which are labor-intensive.

Capital outlay signifies the disbursements for equipment for use in administering the Health District's services. There were no significant equipment purchases during 2010, with the total equipment purchases at only 3.0 percent of all disbursements.

Governmental Activities

If you look at the Statement of Activities below, you will see that the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Health services.

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. 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. All grants (IAP, WIC, Help Me Grow, and Public Health Infrastructure) have a zero net cost to the health district, in 2008 all grant funds were separated from one general fund; any apparent net costs to the district are not real and should be attributed to changes in accounting practices, carryover, and differing fiscal years

**Table 3
Governmental Activities**

Environmental Health:	Total Cost of Services 2010	Net Cost of Services 2010
Food Program	\$ 81,412	(\$ 9,125)
Solid Waste	5,267	(1,374)
Swimming Pools	3,238	(195)
MHP/Camps	4,515	2,069
Plumbing	21,392	5,078
Sewage	40,552	1,698
Other Environmental Health	149,378	(129,786)
Personal Health Services	68,899	(47,851)
Immunizations	14,609	16,110
Laboratory	2,734	4,757
Grants:		
WIC	139,553	35,064
Heal Me Grow	50,556	(901)
IAP	20,913	3,403
MRC Grant	5,247	(247)
Public Health Infrastructure	248,879	(5,833)
Vital Statistics	24,324	1,556
Child Abuse Prevention	4,730	2,006
Administration	190,040	(189,283)
Travel/ Training	17,086	(17,086)
Other Health Expenditures		8,097
Total Governmental Activities	\$1,093,324	(\$321,453)

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)
(Continued)**

The Health District's Funds

Total Governmental funds had receipts of \$1,206,773 and disbursements of \$1,093,324.

Receipts were more than disbursements in two of the Health District's major funds, mainly due to the increase in grants funds and new levy dollars. In the Environmental Health division most of the services are provided for a fee based on current cost methodologies. However, even with adjustments to fees during 2010 the division is not self-funded and requires monies from the general fund. In the Nursing and Personal Health Services division, most of the services provided are not fee based and are wholly funded via the general fund. All of the grants received by the district except the Immunization Action Planning grant have differing fiscal years, therefore while it appears there are more expenditures than receipts this is not true at the end of each grant year.

General Fund Budgeting Highlights

The Health 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 2010, the Health District amended its General and Special Revenue fund budgets to reflect changing circumstances. The addition of the Public Health Emergency Response grant required an Amended Certificate of Estimated Resources.

Revenues for General Fund were originally budgeted at \$517,925, amended to \$547,902, and actual revenue was \$581,542. Revenues in the environmental health programs were slightly increased due to small changes in the economy of Champaign County and revenue for Medicaid/Medicare reimbursement was significantly increased due to higher priority of billing and receipt of funds. Revenues for the Public Health Infrastructure/Emergency Response Fund (MRC/PHEP/PHER) were originally budgeted at \$79,648, amended to \$284,922, and actual revenue was \$248,046; increasing primarily as a result of additional grants money to continue preparedness activities related to pandemic flu. Revenues for WIC were originally budgeted at \$129,600, amended to \$162,523, and actual revenue of \$174,617 due to changes in grant funding for services provided.

Disbursements for General Fund were originally budgeted at \$561,202, amended to \$518,346, and actual disbursements were \$500,900. Disbursements for the Public Health Infrastructure/Emergency Response Fund were originally budgeted at \$80,508, amended to \$267,664, and actual disbursements were \$259,772; this change primarily due to the Public Health Emergency Response monies provided to the district for Pandemic H1N1 response. Disbursements for WIC were originally budgeted at \$129,600, amended to \$171,113, and actual disbursements of \$139,703. The Health District kept overall spending within four percent of budgeted accounts.

Capital Assets

The Health District does not currently keep track of its capital assets and infrastructure. The Health District has not made plans to track this, as it is not required by current law. The Health District does not own land or other real estate at this time.

Debt

At December 31, 2010, the Health District's outstanding debt included future lease payments for the office facility and copier equipment, as well as accumulated leave balances for the Health District's employees. For further information regarding the Health District's rental lease, refer to the note 10 to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)
(Continued)**

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. The Health District relies heavily on inside millage from the cities, townships, and villages and state level grant funds; as the inside millage and the grant funds are fairly fixed we continue to struggle with the increase in operating expenses primarily in personnel costs. Without a significant change in these resources, even with conservative spending, the Health District will continue to see a decrease in financial stability. The District successfully passed a 0.4 mil levy in November 2007, this additional funding in 2008 through 2012 will assure that basic service provision can continue even with shrinkage of grant funding.

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors 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 Shelia Hiddleston, Health Commissioner, Champaign Health District, 1512 S. US Highway 68, Suite Q100, Urbana, OH 43078.

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CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$542,570
Total Assets	<u>542,570</u>
Net Assets:	
Restricted for:	
Other Purposes	127,217
Unrestricted	415,353
Total Net Assets	<u>\$542,570</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Cash Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Environmental Health:				
Food Program	\$81,412	\$72,287		(\$9,125)
Solid Waste	5,267	4	\$3,889	(1,374)
Swimming Pools	3,238	3,433		195
MHP/ Camps	4,515	6,584		2,069
Plumbing	21,392	26,470		5,078
Sewage	40,552	42,250		1,698
Other Environmental Health	149,378	19,592		(129,786)
Personal Health Services	68,899	21,048		(47,851)
Immunizations	14,609	30,719		16,110
Laboratory	2,734	7,491		4,757
Grants:				
WIC	139,553	74	174,543	35,064
Help Me Grow	50,556	100	49,555	(901)
IAP	20,913	3,960	20,356	3,403
MRC	5,247		5,000	(247)
Public Health Emergency/Response	248,879	1,311	241,735	(5,833)
Vital Statistics	24,324	25,880		1,556
Child Abuse Prevention	4,730	6,736		2,006
Administration	190,040	757		(189,283)
Travel/Training	17,086			(17,086)
Other Health		8,097		8,097
Total Governmental Activities	\$1,093,324	\$276,793	\$495,078	(321,453.00)
General Receipts:				
				259,592
				168,500
				6,810
				<u>434,902</u>
				113,449
				<u>429,121</u>
				<u>\$542,570</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	<u>General</u>	<u>MRC PHEP/PHER Grant</u>	<u>WIC Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$415,353	\$24,105	\$48,357	\$54,755	\$542,570
Total Assets	<u>415,353</u>	<u>24,105</u>	<u>48,357</u>	<u>54,755</u>	<u>542,570</u>
Fund Balances:					
Reserved:					
Reserved for Encumbrances	7,491	5,646	149	2,712	15,998
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	407,862				407,862
Special Revenue Funds		18,459	48,208	52,043	118,710
Total Fund Balances	<u>\$415,353</u>	<u>\$24,105</u>	<u>\$48,357</u>	<u>\$54,755</u>	<u>\$542,570</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	MRC PHEP/PHER Grant	WIC Grant	Governmental Funds	Total Governmental Funds
Receipts:					
State Funds	\$6,810				\$6,810
Grants:					
Local				\$3,889	3,889
State				49,555	49,555
Federal		\$246,735	\$174,542	20,356	441,633
Levy	259,592				259,592
Subdivisions	168,500				168,500
Fines, Licenses and Permits: Environmental	52,647			117,907	170,554
Nursing Fees	39,423			390	39,813
Medicaid/Medicare	10,006			3,559	13,565
Vital Statistic Fees	25,880			6,736	32,616
Charges for Services	7,551				7,551
Contracts	2,436				2,436
Donations	159				159
Reimbursements	8,034	1,311	74	177	9,596
Miscellaneous	504				504
Total Receipts	581,542	248,046	174,616	202,569	1,206,773
Disbursements:					
Current:					
Salaries - Employees	274,984	67,998	92,186	133,307	568,475
Sick Leave Vacation Payoff	552				552
Group Insurances	48,284	9,617	11,722	22,399	92,022
Medicare	3,855	1,711	1,312	1,877	8,755
PERS	39,788	8,966	12,906	18,600	80,260
Workers Compensation	10,243	4,818	3,704	7,653	26,418
Supplies -Office and program specific	8,023	35,115	1,620	108	44,866
Supplies - Postage	2,835			353	3,188
Supplies - Medical	7,504	4,256	1,523	379	13,662
Supplies - Vaccine	7,105				7,105
Equipment	1,925	25,323	5,414		32,662
Client Incentive/Health Promotion				162	162
Repair/Maintenance	858				858
Rent/Maintenance Building	27,076		6,284	2,147	35,507
Rent/Lease Equipment	6,712				6,712
Insurance Liability	5,196				5,196
Telephone	4,481	5,794	1,152	312	11,739
Audit	2,600				2,600
Advertising and Printing/Binding	500	4,877			5,377
Travel/ Training/ Dues / Membership	17,878	5,383	366	8,358	31,985
Consulting/ Contracts	(140)	40,370	1,364		41,594
Refunds	10	39,898			39,908
Fees - Lab/State	8,554			4,298	12,852
Fees - Vital Statistics	13,547			6,283	19,830
Fees- County Auditor	39				39
Un-anticipated Emergency	1,000				1,000
Total Disbursements	493,409	254,126	139,553	206,236	1,093,324
Excess of Receipts Over (Under) Disbursements	88,133	(6,080)	35,063	(3,667)	113,449
Other Financing Sources (Uses):					
Advances In	2,000			2,000	4,000
Advances Out	(2,000)			(2,000)	(4,000)
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	88,133	(6,080)	35,063	(3,667)	113,449
Fund Balances Beginning of Year	327,220	30,185	13,294	58,422	429,121
Fund Balances End of Year	\$415,353	\$24,105	\$48,357	\$54,755	\$542,570

See accompanying notes to the basic financial statements.

CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
State Funds	\$10,537	\$8,371	\$6,810	(\$1,561)
Grants:				
Levy	221,850	260,500	259,592	(908)
Subdivisions	168,500	168,500	168,500	
Fines, Licenses and Permits: Environmental	44,750	37,050	52,647	15,597
Nursing Fees	38,505	37,500	39,423	1,923
Medicaid/Medicare	510	6,000	10,006	4,006
Vital Statistic Fees	22,145	20,300	25,880	5,580
Charges for Services	6,565	7,200	7,551	351
Donations			159	159
Reimbursements	4,162	2,080	8,034	5,954
Contracts	401	401	2,436	2,035
Miscellaneous			504	504
Total Receipts	<u>517,925</u>	<u>547,902</u>	<u>581,542</u>	<u>33,640</u>
Disbursements:				
Current:				
Salaries - Employees	300,000	276,120	274,984	1,136
Sick Leave Vacation Payoff	10,000	552	552	
Group Insurances	59,186	48,442	48,284	158
Medicare	4,350	3,988	3,855	133
PERS	42,000	39,788	39,788	
Workers Compensation	12,000	12,250	10,243	2,007
Supplies -Office and program specific	7,306	8,806	8,273	533
Supplies - Postage	1,700	3,700	3,255	445
Supplies - Medical	8,226	9,000	7,504	1,496
Supplies - Vaccine	20,000	8,004	8,005	(1)
Equipment		2,785	1,925	860
Repair/Maintenance	551	1,492	858	634
Rent/Maintenance Building	23,624	27,076	27,076	
Rent/Maintenance equipment	4,410	7,561	7,262	299
Insurance Liability	4,190	5,592	5,196	396
Telephone	6,307	5,212	4,831	381
Advertising	1,000	2,250	500	1,750
Travel/ Training/ Dues / Membership	23,407	22,779	19,496	3,283
Audit Charges	5,000	4,311	3,100	1,211
Consulting/ Contracts			(140)	140
Refunds	250	250	10	240
Fees - County Auditor	5,000	39	39	
Fees - Lab/State	11,109	10,000	9,654	346
Fees - Vital Statistics	11,586	15,350	15,350	
Unanticipated Emergency/Transfer Out		3,000	1,000	2,000
Total Disbursements	<u>561,202</u>	<u>518,347</u>	<u>500,900</u>	<u>17,447</u>
Excess of Receipts Over (Under) Disbursements	<u>(43,277)</u>	<u>29,555</u>	<u>80,642</u>	<u>51,087</u>
Other Financing Sources (Uses):				
Transfers Out	(2,852)	(3,000)		3,000
Total Other Financing Sources (Uses)	<u>(2,852)</u>	<u>(3,000)</u>		<u>3,000</u>
Net Change in Fund Balances	(46,129)	26,555	80,642	54,087
Prior Year Encumbrances Appropriated	11,399	11,399	11,399	
Fund Balances Beginning of Year	<u>315,821</u>	<u>315,821</u>	<u>315,821</u>	
Fund Balances End of Year	<u>\$281,091</u>	<u>\$353,775</u>	<u>\$407,862</u>	<u>\$54,087</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
MRC/PHEP/ PHER GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
MRC		\$5,000	\$5,000	
Public Health Emergency Preparedness	\$79,648	126,685	88,498	(\$38,187)
Public Health Emergency Response III		153,237	153,237	
Reimbursement			1,311	1,311
Total Receipts	<u>79,648</u>	<u>284,922</u>	<u>248,046</u>	<u>(36,876)</u>
Disbursements:				
Salaries - Employees	26,189	67,998	67,998	
Group Insurances	12,040	9,891	9,617	274
Medicare	380	1,718	1,711	7
PERS	3,666	8,968	8,966	2
Workers Compensation	1,048	5,036	4,818	218
Supplies -Office and program specific	433	31,811	35,115	(3,304)
Supplies - Medical		4,256	4,256	
Equipment	4,000	26,140	25,323	817
Software Modification	1,574	4,636		4,636
Telephone	4,200	5,838	5,837	1
Advertising	(1,200)	4,877	4,877	
Travel/ Training/ Dues / Membership	692	7,727	5,486	2,241
Return grant funds to ODH		39,898	39,898	
Consulting/ Contracts	27,486	48,870	45,870	3,000
Total Disbursements	<u>80,508</u>	<u>267,664</u>	<u>259,772</u>	<u>7,892</u>
Excess of Receipts Over (Under) Disbursements	<u>(860)</u>	<u>17,258</u>	<u>(11,726)</u>	<u>(28,984)</u>
Net Change in Fund Balances	(860)	17,258	(11,726)	(28,984)
Prior Year Encumbrances Appropriated	1,255	1,255	1,255	
Fund Balances Beginning of Year	<u>28,930</u>	<u>28,930</u>	<u>28,930</u>	
Fund Balances End of Year	<u>\$29,325</u>	<u>\$47,443</u>	<u>\$18,459</u>	<u>(\$28,984)</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
WOMEN, INFANTS, AND CHILDREN (WIC) FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
WIC	\$129,600	\$162,523	\$174,543	\$12,020
Reimburesements			74	74
Total Receipts	<u>129,600</u>	<u>162,523</u>	<u>174,617</u>	<u>12,094</u>
Disbursements:				
Current:				
Salaries - Employees	82,188	110,230	92,186	18,044
Group Insurances	17,000	15,418	11,722	3,696
Medicare	1,192	1,641	1,312	329
PERS	11,506	15,334	12,906	2,428
Workers Compensation	3,288	6,261	3,704	2,557
Supplies -Office and program specific	2,145	1,650	1,620	30
Supplies - Postage	1,000			
Equipment		6,500	5,414	1,086
Client Incentive/BF	500	2,085	1,523	562
Rent/phones	4,781	9,295	7,532	1,763
Travel/ Training/ Dues / Membership	6,000	925	419	506
Consulting/Contracts		1,774	1,365	409
Total Disbursements	<u>129,600</u>	<u>171,113</u>	<u>139,703</u>	<u>31,410</u>
Net Change in Fund Balances		(8,590)	34,914	43,504
Prior Year Encumbrances Appropriated	1,240	1,240	1,240	
Fund Balances Beginning of Year	<u>12,054</u>	<u>12,054</u>	<u>12,054</u>	
Fund Balances End of Year	<u>\$13,294</u>	<u>\$4,704</u>	<u>\$48,208</u>	<u>\$43,504</u>

See accompanying notes to the basic financial statements.

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**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

1. REPORTING ENTITY

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

A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include prevention and control of disease, immunization clinics, public health nursing services, inspections, the issuance of health-related licenses and permits, sanitation, abatement and removal of nuisances, and emergency response planning.

B. Component Units

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; or the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Health District, are accessible to the Health District and are significant in amount to the Health District. The Health District includes no component units.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, 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. Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

The Health District's basic financial statements consist of government-wide financial 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.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health 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 Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and contract services rendered for a program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

2. Fund Financial Statements

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

B. Fund Accounting

The Health 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. Funds are used to segregate resources that are restricted as to use. All of the funds of the Health District are governmental.

1. Governmental Funds

Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

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

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Public Health Emergency Preparedness Grant Fund (PHEP/MRC/PHER), and the WIC Grant Fund account for State and Federal grant money used to provide programs in Champaign County.

The WIC funds are predominantly for early childhood issues including nutrition, early detection and intervention. The Public Health Infrastructure/Emergency Response Fund includes the Public Health Infrastructure, Public Health Emergency Response, and Medical Reserve CORP's funds, which are used to provide public health emergency preparedness and volunteer recruitment activities for the county. The Immunization Action Plan fund is used to provide immunization and immunization education for families of children birth through thirty five months. Each of these funds is restricted for a particular purpose.

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

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and their related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, function, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and Health Districts within the district if the filing has not been made.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Health.

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

E. Cash and Investments

The Champaign County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Champaign County Auditor, 1512 S. US Highway 68, Suite B300, Urbana, Ohio 43078, (937) 484-1555.

F. Inventory and Prepaid Items

The Health District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

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

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Fund Balance Reserves

The Health District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

M. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

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 Balance – 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 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 another financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund	\$7,491
Major Special Revenue Funds:	
Health Grant Fund	5,646
WIC	149

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

4. INTERGOVERNMENTAL AND LEVY FUNDING

The County apportions the excess of the Health District's appropriations over other estimated receipts among the Districts and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as Subdivision revenue.

5. RISK MANAGEMENT

A. Commercial Insurance

The Health District has obtained commercial insurance for the following risks:

- Employee health insurance
- Errors and omissions.

B. Risk Pool Membership

The Health 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.

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, 2009, 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, 2009 and 2008 (the latest information available):

	2009	2008
Assets	\$36,374,898	\$35,769,535
Liabilities	(15,256,862)	(15,310,206)
Net Assets	\$21,118,036	\$20,459,329

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the District's share of these unpaid claims collectible in future years is approximately \$5,000.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

5. RISK MANAGEMENT (Continued)

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.

Contributions to PEP	
2010	2009
<u>\$5,196</u>	<u>\$4,336</u>

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. 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.

C. County Commissioner Association of Ohio Workers' Compensation Group Rating Plan

For 2010, the Health District, through Champaign County as their fiscal agent, participated in the State of Ohio Worker's Compensation system. The Health District budgets 4% of wages to provide Workers' Compensation coverage for its' employees.

D. Employee Medical Benefits

The Health 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 2010 was \$92,021 compared to \$84,859 in 2009. This shows an increase primarily due to changes in numbers of full-time staff and premium changes.

6. DEFINED BENEFIT PENSION PLANS

The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS 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 the retirement system 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.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

6. DEFINED BENEFIT PENSION PLANS (Continued)

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 OPERS, 277 East Town Street, Columbus, Ohio 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 through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll health districts. Active members do not make contributions to the OPEB Plan. For the year ended December 31, 2010, members of the district contributed 10% percent of covered payroll.

Each year, the OPERS Retirement Board 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 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. The Health District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009 and 2008 were \$51,121, \$52,277, and \$42,500 respectively. The full amount has been contributed for 2010, 2009 and 2008. Contributions to the member-directed plan for 2010 were \$40,972 made by the Health District and \$56,847 made by the plan members.

7. POST EMPLOYMENT BENEFITS

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

7. POST EMPLOYMENT BENEFITS (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board 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 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$28,401, \$29,043, and \$42,400, respectively; 100 percent has been contributed for 2010, 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

8. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

9. CONTRACTUAL OBLIGATIONS

The Health District is a party to a multi-year lease for rental of office space. This lease was initiated August 1, 2005 and is renewable through July 31, 2010. This lease requires the District to remit monthly payments of \$2,264.

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**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

This discussion and analysis of the Champaign Health District's (the Health District) financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2009, within the limitations of the Health District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Health District's financial performance.

Highlights

Key highlights for 2009 are as follows:

- Net assets from all governmental activities increased by \$115,866, a significant change predominantly due to the second year of five year levy collection, pandemic flu response dollars, and an increase in WIC services provided with the accompanying funds.
- Program specific receipts in the form of charges for services, operating grants and contributions, and contract services comprise the largest percentage of the Health District's receipts, making up almost 61 percent of all the dollars coming into the District. General receipts in the form of and unrestricted grants make up the other 39 percent. This is approximately the same split as in 2008.
- The Health District had \$ 1,025,426 in disbursements during 2009.
- Grant revenue increased by \$20,630; this is due to the attainment of the Public Health Emergency Response dollars received to provide public health response to Pandemic H1N1 activities for the county. The total amount received was \$90,428 for H1N1 specific activities. The total amount was not an overall increase in grant dollars, as the Help Me Grow monies decreased \$29,622 due to changes in the State budget and the mechanism for delivery of services in Champaign County.

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 Health District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health 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 government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

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 the generally accepted accounting principles. Under the Health 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 Health District as a Whole

The Champaign 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 Health District is directed by a five-member Board of Health that appoints a Health Commissioner as its Executive Officer. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, vital statistics, and the issuance of health-related licenses and permits. The Health 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 Health District did financially during 2009 within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Health 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, and grants and contributions 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 Health District's general receipts.

These statements report the Health District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Health District's financial health. Over time, increases or decreases in the Health District's cash position is one indicator of whether the Health District's financial health is improving or deteriorating.

When evaluating the Health District's financial condition, you should also consider other non-financial factors. Such as, the extent of the Health District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in in-side millage as a local revenue source.

In the statement of net assets and the statement of activities, all Health District activities are reported as governmental. State and federal grants, fees, and inside millage finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them; particularly in the personal health services division. The Health District has no business-type activities.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the Health District's major funds – not the Health District as a whole. The Health 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 Health District's activities are reported in Governmental funds. The Governmental fund financial statements provide a detailed view of the Health 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 Health District's programs. The Health District's significant Governmental funds are presented on the financial statements in separate columns.

The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Health District's major Governmental funds are the General Fund, the Public Health Infrastructure/Emergency Response Fund, the Help Me Grow Fund, and the WIC Fund. The programs reported in Governmental funds are closely related to those reported in the Governmental Activities section of the entity-wide statements.

The Health District as a Whole

Table 1 provides a summary of the Health District's net assets for 2009 on a cash basis. A comparative analysis will be presented.

**(Table 1)
Net Assets**

	Governmental Activities	
	2009	2008
Assets		
Cash and Cash Equivalents	\$429,121	\$313,255
Total Assets	<u>429,121</u>	<u>313,255</u>
Net Assets		
Restricted for:		
Restricted	101,901	102,525
Unrestricted	<u>327,220</u>	<u>210,730</u>
Total Net Assets	<u>\$429,121</u>	<u>\$268,673</u>

As mentioned previously, net assets of all governmental activities increased by \$115,866 during 2009. The primary reasons contributing to the increases in cash balances are as follows:

- Levy Collections
- Public Health Emergency Response Grant

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

Table 2 reflects the changes in net assets in 2009. A comparative analysis of District-wide data is presented.

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

	Governmental Activities	
	2009	2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$250,971	\$ 253,270
Contact Services		878
Operating Grants and Contributions	445,970	426,202
Total Program Receipts	696,951	680,350
General Receipts:		
Revenue from Subdivisions	168,500	168,500
State Subdivisions	11,161	11,799
Levy	264,680	268,933
Total General Receipts	444,341	449,232
Total Receipts	1,141,292	1,129,582
Disbursements:		
Environmental Health:		
Food Program	87,496	76,229
Solid Waste	5,283	4,482
Swimming Pools	3,056	2,789
MHP/Camps	5,543	
Plumbing	21,946	33,584
Sewage	27,432	48,691
Other Environmental Health	180,160	138,765
Personal Health Services	39,409	102,238
Immunizations	55,535	22,500
Laboratory	6,604	10,573
Grants:		
WIC	118,075	113,573
Help Me Grow	126,595	159,211
Immunizations	15,819	17,071
MRC	4,705	7,644
Public Health Infrastructure	180,663	97,530
Vital Statistics	22,850	20,504
Child Abuse Prevention	5,007	6,582
Administration	93,713	116,366
Travel/Training	15,516	18,252
Other Health Expenditures	10,019	7,356
Total Disbursements	1,025,426	1,023,936
Increase (Decrease) in Net Assets	115,866	125,273
Net Assets, January 1, 2008	313,255	187,982
Net Assets, December 31, 2008	\$ 429,121	\$313,255

General receipts represent 39 percent of the Health District's total receipts, and of this amount, 38 percent are local taxes (revenue from subdivisions) provided by each municipality and District in the county. Levy dollars represent 60 percent of general receipts, with the remaining amount at less than 2 percent provided by the State Subsidy at less than \$0.29 per capita.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

Disbursements for the Health District represent the overhead costs of running the Health District and the support services provided for the other District activities. These include primarily the costs of personnel and personnel support at 77 percent of total disbursements, as the primary product of the Health District is preventive health services which are labor-intensive.

Capital outlay signifies the disbursements for equipment for use in administering the Health District's services. There were no significant equipment purchases during 2009, with the total equipment purchases at only 2.0 percent of all disbursements.

Governmental Activities

If you look at the Statement of Activities below, you will see that the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Health services.

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. 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. All grants (IAP, WIC, Help Me Grow, and Public Health Infrastructure) have a zero net cost to the health district, in 2008 all grant funds were separated from one general fund; any apparent net costs to the district are not real and should be attributed to changes in accounting practices, carryover, and differing fiscal years.

**Table 3
Governmental Activities**

	Total Cost of Services 2009	Net Cost of Services 2009
Environmental Health:		
Food Program	\$ 87,946	\$ (12,283)
Solid Waste	5,283	(1,244)
Swimming Pools	3,056	376
MHP/Camps	5,543	55
Plumbing	21,946	3,929
Sewage	27,432	(9,363)
Other Environmental Health	180,160	(166,490)
Personal Health Services	39,409	(25,859)
Immunizations	55,535	(24,493)
Laboratory	6,604	1,334
Grants:		
WIC	118,075	(2,205)
Heal Me Grow	126,595	3,152
IAP	15,819	(2,520)
MRC Grant	4,705	317
Public Health Infrastructure	180,663	(387)
Vital Statistics	22,850	(1,713)
Child Abuse Prevention	5,007	1,994
Administration	93,713	(86,315)
Travel/ Training	15,516	(15,516)
Other Health Expenditures	10,019	(9,969)
Total Governmental Activities	\$1,025,426	(\$328,475)

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

The Health District's Funds

Total Governmental funds had receipts of \$1,141,292 and disbursements of \$1,025,425.

Receipts were more than disbursements in two of the Health District's major funds, mainly due to the increase in grants funds and new levy dollars. In the Environmental Health division most of the services are provided for a fee based on current cost methodologies. However, even with adjustments to fees during 2009 the division is not self-funded and requires monies from the general fund. In the Nursing and Personal Health Services division, most of the services provided are not fee based and are wholly funded via the general fund. All of the grants received by the district except the Immunization Action Planning grant have differing fiscal years, therefore while it appears there are more expenditures than receipts this is not true at the end of each grant year.

Budgeting Highlights

The Health 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 2009, the Health District amended its General and Special Revenue fund budgets to reflect changing circumstances. The addition of the Public Health Emergency Response grant required an Amended Certificate of Estimated Resources, as did a decrease in funds available through the Help Me Grow grant.

Revenues for General Fund were originally budgeted at \$559,821, amended to \$572,342, and actual revenue was \$570,601. Revenues in the environmental health programs were significantly decreased due to changes in the economy of Champaign County and revenue for Medicaid/Medicare reimbursement was significantly decreased due to timing of billing and receipt of funds. Revenues for the Public Health Infrastructure/Emergency Response Fund (PHEP/PHER/MRC) were originally budgeted at \$76,699, amended to \$185,296, and actual revenue was \$185,296; increasing primarily as a result of additional grants money. Revenues for Help Me Grow were originally budgeted at \$193,051, amended to \$129,584, and actual revenue of \$129,749 as a result of a decrease in the state Help Me Grow budget which necessitated a change in the service delivery mechanism for Champaign County. Revenues for WIC were originally budgeted and final at \$115,870, and actual revenue of \$115,870 due to changes in grant funding for services provided.

Disbursements for General Fund were originally budgeted at \$555,017, amended to \$475,975, and actual disbursements were \$462,696. Disbursements for the Public Health Infrastructure/Emergency Response Fund were originally budgeted at \$53,100, amended to \$188,308, and actual disbursements were \$186,624; this change primarily due to the Public Health Emergency Response monies provided to the district for Pandemic H1N1 response. Disbursements for Help Me Grow were originally budgeted at \$107,793, amended to \$131,657, and actual disbursements of \$126,695. Disbursements for WIC were originally budgeted at \$116,346, amended to \$119,473, and actual disbursements of \$119,315. The Health District kept overall spending within seven percent of budgeted accounts.

Capital Assets

The Health District does not currently keep track of its capital assets and infrastructure. The Health District has not made plans to track this, as it is not required by current law. The Health District does not own land or other real estate at this time.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

Debt

At December 31, 2009, the Health District's outstanding debt included future lease payments for the office facility and copier equipment, as well as accumulated leave balances for the Health District's employees. For further information regarding the Health District's rental lease, refer to the note 9 to the basic financial statements.

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. The Health District relies heavily on inside millage from the cities, townships, and villages and state level grant funds; as the inside millage and the grant funds are fairly fixed we continue to struggle with the increase in operating expenses primarily in personnel costs. Without a significant change in these resources, even with conservative spending, the Health District will continue to see a decrease in financial stability. The District successfully passed a 0.4 mil levy in November 2007, this additional funding in 2008 through 2012 will assure that basic service provision can continue even with shrinkage of grant funding.

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors 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 Shelia Hiddleson, Health Commissioner, Champaign Health District, 1512 S. US Highway 68, Suite Q100, Urbana, OH 43078.

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CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009

	<u>Primary Government Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$429,121
Total Assets	<u>429,121</u>
Net Assets:	
Restricted for:	
Other Purposes	101,901
Unrestricted	<u>327,220</u>
Total Net Assets	<u>\$429,121</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Cash</u> <u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements)</u> <u>Receipts and</u> <u>Changes in Net Assets</u>
		<u>Charges</u> <u>for Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities;				
Environmental Health:				
Food Program	\$87,496	\$75,213		(\$12,283)
Solid Waste	5,283		\$4,039	(1,244)
Swimming Pools	3,056	3,431		375
MHP/ Camps	5,543	5,598		55
Plumbing	21,946	25,875		3,929
Sewage	27,432	36,795		9,363
Other Environmental Health	180,160	13,670		(166,490)
Personal Health Services	39,409	13,550		(25,859)
Immunizations	55,535	31,042		(24,493)
Laboratory	6,604	7,938		1,334
WIC	118,075		115,870	(2,205)
Help Me Grow	126,595	30	129,717	3,152
IAP	15,819	955	12,345	(2,520)
MRC	4,705		5,020	317
Public Health Infrastructure/Emergency	180,663	1,347	178,929	(387)
Vital Statistics	22,850	21,138		(1,713)
Child Abuse Prevention	5,007	7,001		1,994
Administration	93,713	7,398		(86,315)
Travel/Training	15,516			(15,516)
Other Health Expenditures	10,019		50	(9,969)
Total Governmental Activities	<u><u>\$1,025,426</u></u>	<u><u>\$250,981</u></u>	<u><u>\$445,970</u></u>	<u><u>(328,475)</u></u>
		General Receipts:		
				264,680
				168,500
				11,161
			Total General Receipts	<u>444,341</u>
			Change in Net Assets	115,866
			Net Assets Beginning of Year	<u>313,255</u>
			Net Assets End of Year	<u><u>\$429,121</u></u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>PHEP PHER MRC Grant</u>	<u>Help Me Grow Grant</u>	<u>Women, Infants, and Children</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$327,220	\$30,185	\$5,180	\$13,294	\$53,242	\$429,121
Total Assets	<u>327,220</u>	<u>30,185</u>	<u>5,180</u>	<u>13,294</u>	<u>53,242</u>	<u>429,121</u>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	11,399	1,255	100	1,240	1,329	15,323
Unreserved:						
General Fund	315,821					315,821
Special Revenue Funds		28,930	5,080	12,054	51,913	97,977
Total Fund Balances	<u>\$327,220</u>	<u>\$30,185</u>	<u>\$5,180</u>	<u>\$13,294</u>	<u>\$53,242</u>	<u>\$429,121</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	PHEP MRC PHER Grant	Help Me Grow Grant	WIC Grant	Other Governmental Funds	Total Governmental Funds
Receipts:						
State Funds	\$11,162					\$11,162
Grants:						
Local					\$4,039	4,039
State			\$110,899			110,899
Federal		\$183,949	18,817	\$115,870	12,345	330,981
Levy	264,680					264,680
Subdivisions	168,500					168,500
Fines, Licenses and Permits: Environmental	45,143				115,438	160,581
Nursing Fees	38,373				60	38,433
Medicaid/Medicare	6,219				895	7,114
Vital Statistic Fees	21,138				7,001	28,139
Charges for Services	7,936					7,936
Donations	50					50
Reimbursements	7,398	1,347	33			8,778
Total Receipts	570,599	185,296	129,749	115,870	139,778	1,141,292
Disbursements:						
Current:						
Salaries - Employees	247,174	82,741	86,080	77,206	91,643	584,844
Sick Leave Vacation Payoff			1,037			1,037
Group Insurances	38,700	12,300	12,492	6,648	14,719	84,859
Medicare	3,592	1,163	1,217	1,106	1,219	8,297
PERS	36,483	11,898	11,952	10,809	12,075	83,217
Workers Compensation	14,049	2,011	4,558	3,999	4,855	29,472
Supplies -Office and program speciofic	5,830	11,256	498	1,933	80	19,597
Supplies - Postage	5,725	560			158	6,443
Supplies - Medical/Breastfeeding/Education	8,037	6,852		1,343	309	16,541
Supplies - Vaccine	20,583					20,583
Equipment	718	14,454			451	15,623
Rent/Maintenance Building	16,418		3,506	7,660		27,584
Repair/Maintenance equipment	3,005					3,005
Insurance Liability	4,336					4,336
Telephone	2,818	6,379	1,130	192		10,519
Advertising	420	2,557				2,977
Travel/ Training/ Dues / Membership	15,516	5,196	4,125	705	5,662	31,204
Audit Charges	5,700					5,700
Consulting/ Contracts		28,001		5,342		33,343
Refunds	163			1,132	1,436	2,731
Fees - County Auditor	6,414					6,414
Fees - Lab/State	6,604				6,478	13,082
Fees - Vital Statistics	8,830				5,007	13,837
Un-anticipated Emergency	180					180
Total Disbursements	451,295	185,368	126,595	118,075	144,092	1,025,425
Excess of Receipts Over (Under) Disbursements	119,304	(72)	3,154	(2,205)	(4,314)	115,867
Other Financing Sources (Uses):						
Transfers In	(814)					(814)
Transfers Out					814	814
Advances In	(2,000)					(2,000)
Advances Out					2,000	2,000
Total Other Financing Sources (Uses)	(2,814)				2,814	
Net Change in Fund Balances	116,490	(72)	3,154	(2,205)	(1,500)	115,867
Fund Balances Beginning of Year	210,730	30,257	2,026	15,499	54,742	313,254
Fund Balances End of Year	\$327,220	\$30,185	\$5,180	\$13,294	\$53,242	\$429,121

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
State Funds	\$11,091	\$11,162	\$11,162	
Levy	265,000	266,100	264,680	(\$1,420)
Subdivisions	168,500	168,500	168,500	
Fines, Licenses and Permits: Environmental	51,750	35,300	45,143	9,843
Nursing Fees	33,500	37,700	38,373	673
Medicaid/Medicare	1,000	6,200	6,219	19
Vital Statistic Fees	20,400	20,400	21,138	738
Charges for Services	6,555	7,555	7,936	381
Donations			50	50
Reimbursements	2,025	7,425	7,398	(27)
Advances In/Out		12,000		(12,000)
Total Receipts	<u>559,821</u>	<u>572,342</u>	<u>570,599</u>	<u>(1,743)</u>
Disbursements:				
Current:				
Salaries - Employees	300,000	257,000	247,176	9,824
Sick Leave Vacation Payoff	7,000			
Group Insurances	55,000	38,500	38,700	(200)
Medicare	3,734	3,727	3,592	135
PERS	36,050	37,000	36,483	517
Workers Compensation	10,300	14,049	14,049	
Supplies -Office and program speciofic	5,788	6,500	6,330	170
Supplies - Postage	1,700	2,000	5,969	(3,969)
Supplies - Medical	7,883	7,883	10,037	(2,154)
Supplies - Vaccine	34,000	23,000	20,583	2,417
Equipment	1,654	750	718	32
Repair/Maintenance	551			
Rent/Maintenance Building	14,723	20,000	16,418	3,582
Repair/Maintenance equipment	4,410	4,410	3,475	935
Insurance Liability	4,190	4,340	4,336	4
Telephone	5,513	3,000	2,818	182
Advertising	551	500	2,947	(2,447)
Travel/ Training/ Dues / Membership	27,389	20,000	18,124	1,876
Audit Charges	9,293	6,000	5,700	300
Refunds	1,488	250	163	87
Fees - County Auditor		6,100	6,414	(314)
Fees - Lab	9,923	8,000	7,504	496
Fees - Vital Statistics	11,025	10,966	10,980	(14)
Un-anticipated Emergency	2,852	2,000	180	1,820
Total Disbursements	<u>555,017</u>	<u>475,975</u>	<u>462,696</u>	<u>13,279</u>
Excess of Receipts Over (Under) Disbursements	<u>4,804</u>	<u>96,367</u>	<u>107,903</u>	<u>11,536</u>
Other Financing Sources (Uses):				
Transfers Out	(814)	(814)	(814)	
Advances Out	(2,000)	(2,000)	(2,000)	
Total Other Financing Sources (Uses)	<u>(2,814)</u>	<u>(2,814)</u>	<u>(2,814)</u>	
Net Change in Fund Balances	1,990	93,553	105,089	11,536
Prior Year Encumbrances Appropriated	6,337	6,337	6,337	
Fund Balances Beginning of Year	<u>204,393</u>	<u>204,393</u>	<u>204,393</u>	
Fund Balances End of Year	<u>\$212,720</u>	<u>\$304,283</u>	<u>\$315,819</u>	<u>\$11,536</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
PHEP/PHER/MRC
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive/(Negative)</u>
Receipts:				
MRC			\$5,020	\$5,020
Public Health Emergency Preparedness	\$76,699	\$94,868	88,501	(6,367)
Public Health Emergency Response		90,428	90,428	
Reimbursement			1,347	1,347
Total Receipts	<u>76,699</u>	<u>185,296</u>	<u>185,296</u>	
Disbursements:				
Salaries - Employees	18,189	81,000	82,741	(1,741)
Group Insurances	8,040	12,131	12,300	(169)
Medicare	264	1,190	1,163	27
PERS	2,537	12,200	11,898	302
Workers Compensation	728	2,011	2,011	
Supplies -Office and program speciofic	333	10,991	11,256	(265)
Supplies - Postage		360	560	(200)
Supplies - Medical		6,536	6,852	(316)
Equipment	1,000	18,517	14,454	4,063
Software Modification	1,000	200		200
Telephone	5,200	5,829	6,635	(806)
Advertising		3,633	2,557	1,076
Travel/ Training/ Dues / Membership	1,000	5,304	5,196	108
Consulting/ Contracts	14,809	28,406	29,001	(595)
Total Disbursements	<u>53,100</u>	<u>188,308</u>	<u>186,624</u>	<u>1,684</u>
Excess of Receipts Over (Under) Disbursements	<u>23,599</u>	<u>(3,012)</u>	<u>(1,328)</u>	<u>1,684</u>
Prior Year Encumbrances Appropriated	156	156	156	
Fund Balances Beginning of Year	<u>30,102</u>	<u>30,102</u>	<u>30,102</u>	
Fund Balances End of Year	<u>\$53,857</u>	<u>\$27,246</u>	<u>\$28,930</u>	<u>\$1,684</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
HELP ME GROW
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Receipts:				
Help Me Grow	\$193,051	\$129,854	\$129,717	(\$137)
Refunds			32	32
Total Receipts	<u>193,051</u>	<u>129,854</u>	<u>129,749</u>	<u>(105)</u>
Disbursements:				
Current:				
Salaries - Employees	67,155	85,959	86,077	(118)
Sick Leave Vacation Payoff		6,375	1,039	5,336
Group Insurances	20,000	12,401	12,492	(91)
Medicare	973	1,246	1,217	29
PERS	9,402	12,034	11,952	82
Workers Compensation	2,686	4,298	4,558	(260)
Supplies -Office and program speciofic	1,000	498	498	
Rent/Maintenance Building	1,000	3,507	3,507	
Telephone	576	1,130	1,130	
Travel/ Training/ Dues / Membership	5,001	4,209	4,225	(16)
Total Disbursements	<u>107,793</u>	<u>131,657</u>	<u>126,695</u>	<u>4,962</u>
Excess of Receipts Over (Under) Disbursements	<u>85,258</u>	<u>(1,803)</u>	<u>3,054</u>	<u>4,857</u>
Net Change in Fund Balances	85,258	(1,803)	3,054	4,857
Prior Year Encumbrances Appropriated	635	635	635	
Fund Balances Beginning of Year	<u>1,391</u>	<u>1,391</u>	<u>1,391</u>	
Fund Balances End of Year	<u><u>\$87,284</u></u>	<u><u>\$223</u></u>	<u><u>\$5,080</u></u>	<u><u>\$4,857</u></u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
WOMEN, INFANTS, AND CHILDREN FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
WIC	\$115,870	\$115,870	\$115,870	
Total Receipts	<u>115,870</u>	<u>115,870</u>	<u>115,870</u>	
Disbursements:				
Current:				
Salaries - Employees	83,141	77,248	77,204	\$44
Group Insurances	8,642	6,569	6,648	(79)
Medicare	1,206	1,109	1,107	2
PERS	11,640	10,813	10,809	4
Workers Compensation	3,326	4,000	4,000	
Supplies -Office and program speciofic	438	2,152	2,033	119
Supplies - Postage	715	332		332
Client Incentive/BF	625	1,468	1,343	125
Rent/phones	5,000	7,660	7,852	(192)
Travel/ Training/ Dues / Membership	602	802	845	(43)
Refund		1,132	1,132	
Consulting/Contracts	1,011	6,188	6,342	(154)
Total Disbursements	<u>116,346</u>	<u>119,473</u>	<u>119,315</u>	<u>158</u>
Net Change in Fund Balances	(476)	(3,603)	(3,445)	158
Prior Year Encumbrances Appropriated			100	100
Fund Balances Beginning of Year	<u>15,399</u>	<u>15,399</u>	<u>15,399</u>	
Fund Balances End of Year	<u>\$14,923</u>	<u>\$11,796</u>	<u>\$12,054</u>	<u>\$258</u>

See accompanying notes to the basic financial statements.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. REPORTING ENTITY

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

A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include prevention and control of disease, immunization clinics, public health nursing services, inspections, the issuance of health-related licenses and permits, sanitation, abatement and removal of nuisances, and emergency response planning.

B. Component Units

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; or the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Health District, are accessible to the Health District and are significant in amount to the Health District. The Health District includes no component units.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, 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. Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

The Health District's basic financial statements consist of government-wide financial 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.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health 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 Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and contract services rendered for a program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

2. Fund Financial Statements

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

B. Fund Accounting

The Health 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. Funds are used to segregate resources that are restricted as to use. All of the funds of the Health District are governmental.

1. Governmental Funds

Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

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

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Health Grant Fund (PHEP/PHER/MRC), the Help Me Grow Grant Fund, and the WIC Grant Fund account for State, Local, and Federal grant money used to provide programs in Champaign County. The Help Me Grow and WIC funds are predominantly for early childhood issues including nutrition, early detection and intervention. The Public Health Infrastructure/Emergency Response Fund includes the Public Health Infrastructure, Public Health Emergency Response, and Medical Reserve CORP's funds, which are used to provide public health emergency preparedness and volunteer recruitment activities for the county. Each of these funds is restricted for a particular purpose.

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

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and their related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, function, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and Health Districts within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and Health Districts within the district if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Health District.

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

E. Cash and Investments

The Champaign County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Champaign County Auditor, 1512 S. US Highway 68, Suite B300, Urbana, Ohio 43078, (937) 484-1555.

F. Inventory and Prepaid Items

The Health District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. The Health District did not have advances during the year.

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance Reserves

The Health District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

M. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

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 Balance – 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 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). The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund	\$ 11,399
Major Special Revenue Funds:	
Health Grant Fund	1,255
Help Me Grow	100
WIC	1,240

4. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the Health District's appropriations over other estimated receipts among the Districts and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as Subdivision revenue.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

5. RISK MANAGEMENT

A. Commercial Insurance

The Health District has obtained commercial insurance for the following risks:

- Employee health insurance
- Errors and omissions.

B. Risk Pool Membership

The Government 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 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, 2009, 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, 2009 and 2008 (the latest information available):

	<u>2009</u>	<u>2008</u>
Assets	\$36,374,898	\$35,769,535
Liabilities	(15,256,862)	(15,310,206)
Net Assets	<u>\$21,118,036</u>	<u>\$20,459,329</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Government's share of these unpaid claims collectible in future years is approximately \$4,078.

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.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

5. RISK MANAGEMENT (Continued)

<u>Contributions to PEP</u>	
<u>2009</u>	<u>2008</u>
<u>\$4,336</u>	<u>\$3,952</u>

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give 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.

C. County Commissioner Association of Ohio Workers' Compensation Group Rating Plan

For 2009, the Health District, through Champaign County as their fiscal agent, participated in the State of Ohio Worker's Compensation system. The Health District budgets 4% of wages to provide Workers' Compensation coverage for it's' employees.

D. Employee Medical Benefits

The Health 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 2009 was \$84,859 compared to \$86,093 in 2008. This shows a slight decrease primarily due to changes in numbers of full-time staff and premium changes.

6. DEFINED BENEFIT PENSION PLANS

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS 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 the retirement system 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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

6. DEFINED BENEFIT PENSION PLANS (Continued)

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 OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2009, the members of all three plans were required to contribute 10 percent of their annual covered salaries. The District's contribution rate for OPERS in 2009 was 14 percent. The portion allocated to fund pension obligations was 7% from January 1 through March 31, 2009 and 8 ½% from April 1 through December 31, 2009. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$52,277, \$42,500 and \$42,448 respectively; 100 percent has been contributed for 2009, 2008, and 2007.

7. POST EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; 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. OPERS provides retirement, disability, and survivor benefits as well as post-employment health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-employment healthcare coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care 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 No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2009, local government employer units contributed at 14% of covered payroll and the portion of employer contributions for all employers allocated to health care was 7% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS.

Benefits are advance-funded using the entry age normal actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases.

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

Health Care — Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 4% for the next 7 years. In subsequent years, (8 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

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

The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076. Actual employer contributions for 2009 which were used to fund other post-employment benefits were \$29,043.

The amount of \$12.8 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2007. The Actuarial Valuation as of December 31, 2007, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on actuarial cost method used, at \$29.8 billion and \$17.0 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the health care plan.

8. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

9. CONTRACTUAL OBLIGATIONS

The Health District is a party to a multi-year lease for rental of office space. This lease was initiated August 1, 2005 and is renewable through July 31, 2010. This lease requires the District to remit monthly payments of \$1,227.

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Dave Yost • Auditor of State

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

Champaign Health District
Champaign County
1512 S. US Highway 68
Suite Q100
Urbana, Ohio 43078

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 Champaign Health District, Champaign County, (the District) as of and for the year ended December 31, 2010 and 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 31, 2011, 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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

Compliance and Other Matters

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

We did note a matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 31, 2011.

We intend this report solely for the information and use of the management and Board of Trustees, and others within the District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

May 31, 2011

**CHAMPAIGN HEALTH DISTRICT
CHAMPAIGN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 & 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Annual Report Presentation – Misclassification of revenue sources and inaccurate budgetary presentations.	No	Significantly Corrected – reported to management of the District in a separate letter.

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CHAMPAIGN COUNTY DISTRICT BOARD OF HEALTH

CHAMPAIGN 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 05, 2011