

Champaign-Urbana Public Health District

Accountants' Report and Financial Statements

March 31, 2003
With Single Audit Section



Champaign-Urbana Public Health District

March 31, 2003

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Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Directors
Champaign-Urbana Public Health District
Champaign, Illinois

We have audited the accompanying combined financial statements of Champaign-Urbana Public Health District (District) as of and for the year ended March 31, 2003, as listed in the table of contents. These combined financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 that our audit provides a reasonable basis for our opinion.

The combined financial statements referred to above do not include the General Fixed Asset Account Group, which should be included to conform with accounting principles generally accepted in the United States of America. The amount that should be recorded in the general fixed asset account group is not known.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the combined financial statements referred to above present fairly, in all material respects, the financial position of Champaign-Urbana Public Health District as of March 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Solutions
or
Success

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying supplementary information, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has been subjected to the procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole.

BKD, LLP

March 25, 2004

Champaign-Urbana Public Health District

Combined Balance Sheet — Governmental Fund Types and Account Group

March 31, 2003

	<u>Governmental Fund Types</u>		<u>General</u>	<u>Total</u>
	<u>General</u>	<u>Special</u>	<u>Long-Term</u>	<u>(Memorandum</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Debt Account</u>	<u>Only)</u>
		<u>Funds</u>	<u>Group</u>	
Assets				
Cash	\$ 1,747,089	\$ 112,194	\$ —	\$ 1,859,283
Property taxes receivable (net of allowance for uncollectibles)	1,296,823	204,624	—	1,501,447
Revenues due from state	803,098	—	—	803,098
Revenue due from county	465,301	—	—	465,301
Prepaid expenses	—	38,729	—	38,729
Other assets	1,018	—	—	1,018
Amount to be provided for compensated absences	—	—	202,361	202,361
Total assets	<u>\$ 4,313,329</u>	<u>\$ 355,547</u>	<u>\$ 202,361</u>	<u>\$ 4,871,237</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 301,911	\$ 18,164	\$ —	\$ 320,075
Accrued liabilities	10,926	15,573	—	26,499
Accrued compensated absences	—	—	202,361	202,361
Deferred revenue	<u>1,296,823</u>	<u>204,624</u>	<u>—</u>	<u>1,501,447</u>
Total liabilities	1,609,660	238,361	202,361	2,050,382
Fund Balance	<u>2,703,669</u>	<u>117,186</u>	<u>—</u>	<u>2,820,855</u>
Total liabilities and fund balances	<u>\$ 4,313,329</u>	<u>\$ 355,547</u>	<u>\$ 202,361</u>	<u>\$ 4,871,237</u>

Champaign-Urbana Public Health District
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balance — Governmental Fund Types
Year Ended March 31, 2003

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>(Memorandum</u>
		<u>Funds</u>	<u>Only)</u>
Revenue			
Taxes	\$ 1,585,242	\$ 217,347	\$ 1,802,589
Licenses and permits	116,636	—	116,636
Intergovernmental	4,488,630	131,328	4,619,958
Interest	37,288	3,126	40,414
Miscellaneous	24,179	—	24,179
Charges for services	<u>282,172</u>	<u>—</u>	<u>282,172</u>
Total revenues	<u>6,534,147</u>	<u>351,801</u>	<u>6,885,948</u>
Expenditures			
Administration	1,383,041	493,931	1,876,972
Public health nursing	1,137,052	—	1,137,052
Environmental health	557,781	—	557,781
Dental health	429,837	—	429,837
Health education	504,551	—	504,551
Social services	1,105,890	—	1,105,890
Family health	<u>1,251,577</u>	<u>—</u>	<u>1,251,577</u>
Total expenditures	<u>6,369,729</u>	<u>493,931</u>	<u>6,863,660</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	164,418	(142,130)	22,288
Fund Balance, April 1, 2002	<u>2,539,251</u>	<u>259,316</u>	<u>2,798,567</u>
Fund Balance, March 31, 2003	<u>\$ 2,703,669</u>	<u>\$ 117,186</u>	<u>\$ 2,820,855</u>

Champaign-Urbana Public Health District
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balance — Budget and Actual —
Governmental Fund Types
Year Ended March 31, 2003

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Taxes	\$ 1,607,839	\$ 1,585,242	\$ (22,597)
Licenses and permits	125,000	116,636	(8,364)
Intergovernmental	4,319,500	4,488,630	169,130
Interest	75,000	37,288	(37,712)
Miscellaneous	10,600	24,179	13,579
Charges for services	<u>543,724</u>	<u>282,172</u>	<u>(261,552)</u>
Total revenues	<u>6,681,663</u>	<u>6,534,147</u>	<u>(147,516)</u>
Expenditures			
Administration	819,078	1,383,041	(563,963)
Public health nursing	1,418,025	1,137,052	280,973
Environmental health	649,601	557,781	91,820
Dental health	500,611	429,837	70,774
Health education	654,228	504,551	149,677
Social services	1,301,346	1,105,890	195,456
Family Health	<u>1,709,635</u>	<u>1,251,577</u>	<u>458,058</u>
Total expenditures	<u>7,052,524</u>	<u>6,369,729</u>	<u>682,795</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>\$ (370,861)</u>	164,418	<u>\$ 535,279</u>
Fund Balance, April 1, 2002		<u>2,539,251</u>	
Fund Balance, March 31, 2003		<u>\$ 2,703,669</u>	

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 221,700	\$ 217,347	\$ (4,353)	\$ 1,829,539	\$ 1,802,589	\$ (26,950)
—	—	—	125,000	116,636	(8,364)
191,177	131,328	(59,849)	4,510,677	4,619,958	109,281
4,400	3,126	(1,274)	79,400	40,414	(38,986)
—	—	—	10,600	24,179	13,579
—	—	—	543,724	282,172	(261,552)
<u>417,277</u>	<u>351,801</u>	<u>(65,476)</u>	<u>7,098,940</u>	<u>6,885,948</u>	<u>(212,992)</u>
524,845	493,931	30,914	1,343,923	1,876,972	(533,049)
—	—	—	1,418,025	1,137,052	280,973
—	—	—	649,601	557,781	91,820
—	—	—	500,611	429,837	70,774
—	—	—	654,228	504,551	149,677
—	—	—	1,301,346	1,105,890	195,456
—	—	—	1,709,635	1,251,577	458,058
<u>524,845</u>	<u>493,931</u>	<u>30,914</u>	<u>7,577,369</u>	<u>6,863,660</u>	<u>713,709</u>
<u>\$ (107,568)</u>	(142,130)	<u>\$ (34,562)</u>	<u>\$ (478,429)</u>	22,288	<u>\$ 500,717</u>
	<u>259,316</u>			<u>2,798,567</u>	
	<u>\$ 117,186</u>			<u>\$ 2,820,855</u>	

Champaign-Urbana Public Health District

Notes to Combined Financial Statements

March 31, 2003

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Champaign-Urbana Public Health District (District) was established in 1937 under the Coleman Act, which authorized the establishment and maintenance of health departments. The District is governed by the Board of Health, consisting of the Chairman of the Champaign County Board and one member from both the City of Champaign Township and the Cunningham Township. The District provides health care services for the residents of Champaign and Urbana except for specific intergovernmental programs.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the District and its component units. The District did not have any component units as of March 31, 2003. For financial reporting purposes, the District includes all funds, accounts groups, agencies, boards, commissions and authorities that are controlled by the District, ultimate control is retained by the District or when the nature and significance of their relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. Control by or dependence on the District (financial accountability) was determined on the basis of imposition of will as evidenced by the ability to modify or approve the budget of the entity, financial benefit or burden on the District, and fiscal dependency on the District in accordance with Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*.

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenue, and expenditures. The following fund types and account groups are used by the District:

Governmental Fund Types

General Fund

The General Fund, is the general operating fund of the District. It is used to account for all financial transactions except those required to be accounted for in other funds.

Special Revenue Funds

The Special Revenue Funds which consist of the Municipal Retirement fund, Insurance fund and Audit fund are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Champaign-Urbana Public Health District

Notes to Combined Financial Statements

March 31, 2003

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental fund types.

Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay current liabilities. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred.

Property taxes, grant revenue, and charges for services which are expected to be collected are considered available and are recognized as revenues. License and permit revenues are not recorded until received in cash because generally they are not measurable.

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. During the month of March, the District's Treasurer submits to the Board of Health a proposed budget and appropriations schedule for the fiscal year commencing April 1. At the April Board meeting, a revised budget and appropriations schedule is submitted which includes proposed expenditures and the means of financing them.
2. A public hearing is conducted 30 days after the budget and appropriations schedule is published, to obtain taxpayer comments.
3. The budget is adopted at the annual meeting, held at the Public Health District Office during April.
4. Unencumbered appropriations lapse at year end.
5. Budgetary transfers can be made with the approval of the Board. The budgetary information represented in this report reflect the final budget authorization, including all amendments.

Total Columns on Combined Statements

Total columns in the Combined Statements are captioned "(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in fund balances in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation.

Champaign-Urbana Public Health District
Notes to Combined Financial Statements
March 31, 2003

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Cash

As of March 31, 2003, the District's total demand deposits and savings accounts amounted to \$1,859,029 while the bank balances were \$2,059,357. Of the bank balance, \$100,000 was covered by federal depository insurance. Of the remaining balance, \$1,959,357 was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Note 3: Property Taxes

Property taxes receivable consist of the estimated collectible portion of the 2002 levy which will be collected and recognized during the fiscal year ended March 31, 2004. The related revenue is deferred until it is received and available for expenditure.

The tax levy ordinance is passed in December of each year. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. Champaign County bills and collects the property taxes and remits the money to the District in installments between May and October.

Note 4: Pension Plan

The District's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Champaign-Urbana Public Health District

Notes to Combined Financial Statements

March 31, 2003

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2002 was 5.58% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (over funded liability amortized on open basis). The amortization period at December 31, 2002 was 10 years.

For December 31, 2002, the District's annual pension cost of \$172,050 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2000 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.40% to 11.6% per year depending on age and service attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 2001 actuarial valuation were based on the 1996-1998 Experience Study. However, the 2002 actuarial valuation information shown in the schedule of funding progress is based on the assumptions derived from the 1999-2001 Experience Study. The effect of the assumption change decreased the unfunded actuarial accrued liability by \$6,617.

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/02	\$ 172,050	100%	0
12/31/01	163,094	100%	0
12/31/00	161,984	100%	0

Champaign-Urbana Public Health District

Notes to Combined Financial Statements

March 31, 2003

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/02	\$4,485,883	\$3,924,658	\$ (561,225)	114.30%	\$3,083,326	0.00%
12/31/01	4,402,159	3,695,201	(706,958)	119.13%	2,647,632	0.00%
12/31/00	4,344,198	3,648,352	(695,846)	119.07%	2,511,385	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2002 is \$2,951,134. On a market basis, the funded ratio would be 75.19%.

Digest of Changes

2002 Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2002 are based on the 1999-2001 Experience Study. The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For Regular members, fewer normal and early retirements are expected to occur.

Note 5: Compensated Absences

The District allows employees to accumulate unlimited unused sick leave. Earned vacation time is generally required to be used within one year of accrual. Upon separation, the District will pay for all accumulated vacation; however, compensation for sick leave depends upon whether the employee is retiring or terminating. Upon IMRF retirement, the District will pay all sick leave accumulated prior to January 1, 1999 at the employee's December 31, 1998 salary. Upon termination, the District will pay half of the sick leave accumulated prior to January 1, 1999 at the employee's December 31, 1998 salary. Employees will not be paid for unused sick leave earned after December 31, 1998.

Champaign-Urbana Public Health District
Notes to Combined Financial Statements
March 31, 2003

As of March 31, 2003, the liability for accrued vacation, compensatory, and sick leave is \$202,361. This amount has been recorded in the General Long-Term Debt account group.

	<u>Balance</u> <u>April 1, 2002</u>		<u>Net</u> <u>Increase</u>		<u>Balance</u> <u>March 31, 2003</u>
Compensated Absences	\$ 114,957	\$	87,404	\$	202,361

Note 6: Lease Obligations

The District has obligated leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the District's account group. Rental expense incurred in the fiscal year ended March 31, 2003 was \$87,980. The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of March 31, 2003.

	<u>Amounts</u>
2004	\$ 39,137
2005	<u>32,004</u>
	<u>\$ 71,141</u>

Note 7: Deferred Compensation Plan

The District offers all full-time employees a deferred compensation plan established in accordance with the requirements of Internal Revenue Code Section 457. The assets of the plans are held in trust, as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian of the trust holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the District's financial statements.

Note 8: Loss Exposure

Significant losses are covered by commercial insurance for all major programs: property, liability and workers' compensation. During the year ended March 31, 2003, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

Supplementary Information

Champaign-Urbana Public Health District
Combining Balance Sheet — Special Revenue Funds
March 31, 2003

Assets

	IMRF	Insurance Fund	Audit Fund	Totals
Cash	\$ 78,173	\$ 26,744	\$ 7,277	\$ 112,194
Property taxes receivable (net of allowance for uncollectibles)	147,277	46,920	10,427	204,624
Prepaid expenses	<u>—</u>	<u>38,729</u>	<u>—</u>	<u>38,729</u>
Total assets	\$ <u>225,450</u>	\$ <u>112,393</u>	\$ <u>17,704</u>	\$ <u>355,547</u>

Liabilities and Fund Balances

Liabilities

Accounts payable	\$ —	\$ 18,164	\$ —	\$ 18,164
Accrued liabilities	15,573	—	—	15,573
Deferred revenue	<u>147,277</u>	<u>46,920</u>	<u>10,427</u>	<u>204,624</u>
Total liabilities	162,850	65,084	10,427	238,361

Fund Balances

Fund Balances	<u>62,600</u>	<u>47,309</u>	<u>7,277</u>	<u>117,186</u>
Total liabilities and fund balances	\$ <u>225,450</u>	\$ <u>112,393</u>	\$ <u>17,704</u>	\$ <u>355,547</u>

Champaign-Urbana Public Health District
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balance — Special Revenue Funds
Year Ended March 31, 2003

	IMRF	Insurance Fund	Audit Fund	Totals
Revenues				
Taxes	\$ 167,487	\$ 40,171	\$ 9,689	\$ 217,347
Intergovernmental	130,627	701	—	131,328
Interest	<u>2,166</u>	<u>888</u>	<u>72</u>	<u>3,126</u>
Total revenues	<u>300,280</u>	<u>41,760</u>	<u>9,761</u>	<u>351,801</u>
Expenditures				
Administration	<u>421,506</u>	<u>65,975</u>	<u>6,450</u>	<u>493,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(121,226)	(24,215)	3,311	(142,130)
Fund Balance, April 1, 2002	<u>183,826</u>	<u>71,524</u>	<u>3,966</u>	<u>259,316</u>
Fund Balance, March 31, 2003	\$ <u>62,600</u>	\$ <u>47,309</u>	\$ <u>7,277</u>	\$ <u>117,186</u>

Champaign-Urbana Public Health District
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balance — Budget and Actual — Special Revenue Funds
Year Ended March 31, 2003

	IMRF Fund			Insurance
	Budget	Actual	Variance Favorable (Unfavorable)	Budget
Revenues				
Taxes	\$ 171,700	\$ 167,487	\$ (4,213)	\$ 40,000
Intergovernmental	189,977	130,627	(59,350)	1,200
Interest	<u>2,500</u>	<u>2,166</u>	<u>(334)</u>	<u>1,900</u>
Total revenues	364,177	300,280	(63,897)	43,100
Expenditures				
Administration	<u>457,245</u>	<u>421,506</u>	<u>35,739</u>	<u>57,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>(93,068)</u>	(121,226)	\$ <u>(28,158)</u>	\$ <u>(14,500)</u>
Fund Balance, April 1, 2002		<u>183,826</u>		
Fund Balance, March 31, 2003		\$ <u>62,600</u>		

Fund			Audit Fund			Totals		
Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
\$ 40,171	\$ 171	\$ 10,000	\$ 9,689	\$ (311)	\$ 221,700	\$ 217,347	\$ (4,353)	
701	(499)	—	—	—	191,177	131,328	(59,849)	
<u>888</u>	<u>(1,012)</u>	<u>—</u>	<u>72</u>	<u>72</u>	<u>4,400</u>	<u>3,126</u>	<u>(1,274)</u>	
41,760	(1,340)	10,000	9,761	(239)	417,277	351,801	(65,476)	
<u>65,975</u>	<u>(8,375)</u>	<u>10,000</u>	<u>6,450</u>	<u>3,550</u>	<u>524,845</u>	<u>493,931</u>	<u>30,914</u>	
(24,215)	\$ <u>(9,715)</u>	\$ <u>—</u>	3,311	\$ <u>3,311</u>	\$ <u>(107,568)</u>	(142,130)	\$ <u>(34,562)</u>	
<u>71,524</u>			<u>3,966</u>			<u>259,316</u>		
\$ <u>47,309</u>			\$ <u>7,277</u>			\$ <u>117,186</u>		

Single Audit Section

Champaign-Urbana Public Health District
Schedule of Expenditures of Federal Awards
Year Ended March 31, 2003

Federal Agency Pass-through Entity/ Cluster Title/ Program	CFDA Number	Grantor Identifying Number	Amount
U.S. Department of Agriculture			
Passed through State Department of Public Health Summer Food Service Program For Children	10.559		\$ 800
Passed through State Health and Human Services Special Supplemental Nutrition Program for Women, Infants and Children	10.557		<u>420,900</u>
Total U.S. Department of Agriculture			<u>421,700</u>
Housing and Urban Development			
Passed through State Department of Public Health Lead Based Paint Hazard Control in Privately Owned Housing	14.900		3,150
Housing Opportunities for Persons with Aids	14.241		<u>20,170</u>
Total Housing and Urban Development			<u>23,320</u>
U.S. Department of Health and Human Services			
Passed through State Department of Public Health HIV Care Formula Grants	93.917		259,684
HIV Prevention Activities -- Health Department Based	93.940		190,156
Illinois Breast & Cervical Cancer Program	93.919		92,815
Centers for Disease Control & Prevention	93.283		161,612
Project Grants and Cooperative Agreement for Tuberculosis Control	93.116		13,768
Childhood Immunization Grants -- Commodities	93.268		9,647
Preventive Health Services/Sexually Transmitted Diseases Control Grants	93.977		5,353
Passed through State Health and Human Services Maternal and Child Health Federal Consolidated Programs	93.110		600
Social Services Block Grant	93.667		13,200
Maternal and Child Health Services Block Grant	93.994		14,663
Cooperative Agreement for State-based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988		<u>10,800</u>
Total U.S. Department of Health and Human Services			<u>772,298</u>
Environmental Protection Agency			
Passed through State Department of Public Health Performance Partnership Grants	66.605		<u>1,713</u>

Champaign-Urbana Public Health District
Schedule of Expenditures of Federal Awards
Year Ended March 31, 2003

Federal Agency Pass-through Entity/ Cluster Title/ Program	CFDA Number	Grantor Identifying Number	Amount
(Continued)			
U.S. Department of Transportation			
Passed through Illinois Department of Transportation			
State and Community Highway Safety	20.600		\$ 46,821
Safety Incentive Grants for Use of Seatbelts	20.604		<u>30,862</u>
Total Expenditures of Federal Awards			\$ <u>1,296,714</u>

Champaign-Urbana Public Health District
Notes to the Schedule of Expenditures of Federal Awards
Year Ended March 31, 2003

Note 1: Basis of Presentation

This schedule includes the federal awards activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined financial statements.



**Independent Accountants' Report on Compliance and
Internal Control over Financial Reporting Based
on the Audit of the Financial Statements Performed in
Accordance With *Government Auditing Standards***

Board of Directors
Champaign-Urbana Public Health District
Champaign, Illinois

We have audited the combined financial statements of the Champaign-Urbana Public Health District (District) as of and for the year ended March 31, 2003, and have issued our report thereon dated March 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting and its operation that we have reported to the District's management in a separate letter dated March 25, 2004.

Solutions
or
Success

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

BKD, LLP

Decatur, Illinois
March 25, 2004



Independent Accountants' Report on Compliance and Internal Control over Compliance with Requirements Applicable to Major Federal Awards Programs

Board of Directors
Champaign-Urbana Public Health District
Champaign, Illinois

Compliance

We have audited the compliance of Champaign-Urbana Public Health District (District) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the compliance of Champaign-Urbana Public Health District based on our audit.

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

**Solutions
or
Success**

In our opinion, Champaign-Urbana Public Health District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2003.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over compliance and its operations that we have reported to the District's management in a separate letter dated March 25, 2004.

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

BKD, LLP

Decatur, Illinois
March 25, 2004

Champaign-Urbana Public Health District
Schedule of Findings and Questioned Costs
March 31, 2003

Summary of Auditor's Results

1. The opinion expressed in the independent accountants' report was:

☐ Unqualified ☒ Qualified ☐ Adverse ☐ Disclaimed

2. The independent accountants' report on internal control over financial reporting described:

Reportable condition(s) noted considered material weakness(es)?

☐ Yes ☒ No

Reportable condition(s) noted that are not considered to be a material weakness?

☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

☐ Yes ☒ No

4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:

Reportable condition(s) noted considered material weakness(es)?

☐ Yes ☒ No

Reportable condition(s) noted that are not considered to be a material weakness?

☐ Yes ☒ No

5. The opinion expressed in the independent accountants' report on compliance with requirements applicable to major federal awards was:

☒ Unqualified ☐ Qualified ☐ Adverse ☐ Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133?

☐ Yes ☒ No

Champaign-Urbana Public Health District
Schedule of Findings and Questioned Costs
March 31, 2003

7. The Organization's major programs were:

<u>Cluster/Program</u>	<u>CFDA Number</u>
Special Supplemental Nutrition Program for Women, Infants and Children	10.557

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$300,000.
9. The Organization qualified as a low-risk auditee as that term is defined in OMB Circular A-133? ☒ Yes ☐ No

Champaign-Urbana Public Health District
Schedule of Findings and Questioned Costs (Continued)
Year Ended March 31, 2003

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
None		

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
None		

Champaign-Urbana Public Health District
Summary Schedule of Prior Audit Findings
Year Ended March 31, 2003

Reference Number	Summary of Finding	Status
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None