

Champaign-Urbana Public Health District

Accountants' Reports and Financial Statements

June 30, 2009

Champaign-Urbana Public Health District

June 30, 2009

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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 financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Champaign-Urbana Public Health District (District) as of and for the fifteen-month period ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinions.

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 Champaign-Urbana Public Health District as of June 30, 2009, and the respective changes in financial position thereof 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 November 17, 2009, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The accompanying budgetary and pension information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying 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*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BKD, LLP

November 17, 2009

Champaign-Urbana Public Health District

Statement of Net Assets

June 30, 2009

	Governmental Activities
Assets	
Cash	\$ 1,696,946
Restricted cash	691,996
Property taxes receivable, net of allowance - \$10,900	1,089,817
Revenues due from state, net of allowance - \$11,000	2,036,709
Revenue due from county	163,133
Revenue due from others	89,241
Prepaid expenses	114,200
Inventory	16,854
Capital assets	5,359,709
	<hr/>
Total assets	11,258,605
	<hr/>
Liabilities	
Current liabilities:	
Accounts payable	234,551
Accrued liabilities	248,450
Accrued compensated absences	179,762
Deferred revenue - property taxes	1,629,167
Deferred revenue - other	254,948
Current portion of long-term debt	140,588
	<hr/>
Total current liabilities	2,687,466
Noncurrent liabilities:	
Noncurrent portion of long-term debt	3,060,027
	<hr/>
Total liabilities	5,747,493
	<hr/>
Net Assets	
Invested in capital assets, net of related debt	2,159,094
Restricted for:	
Capital projects	691,966
Inventory	16,854
Unrestricted	2,643,198
	<hr/>
Total net assets	\$ 5,511,112
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Champaign-Urbana Public Health District

Statement of Activities

Fifteen-Month Period Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Total Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Administration	\$ 2,585,559	\$ 432,765	\$ 135,322	\$ (2,017,472)
Environmental health	1,334,452	355,486	1,052,081	73,115
Infectious disease prevention and management	2,985,945	61,622	2,378,037	(546,286)
Maternal and child health	2,403,277	453,110	1,790,356	(159,811)
Wellness and health promotion	<u>2,496,810</u>	<u>731,938</u>	<u>1,296,899</u>	<u>(467,973)</u>
Total governmental activities	<u>\$ 11,806,043</u>	<u>\$ 2,034,921</u>	<u>\$ 6,652,695</u>	<u>(3,118,427)</u>
General Revenues				
Property taxes levied for general purposes				3,187,896
Investment income				81,727
Miscellaneous				<u>108,349</u>
Total general revenues				<u>3,377,972</u>
Change in Net Assets				259,545
Net Assets, Beginning of Year				<u>5,251,567</u>
Net Assets, End of Year				<u>\$ 5,511,112</u>

Champaign-Urbana Public Health District

Balance Sheet — Governmental Funds

June 30, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash	\$ 2,373,235	\$ 15,707	\$ 2,388,942
Property taxes receivable	929,269	160,548	1,089,817
Revenues due from the state	1,727,370	309,339	2,036,709
Revenues due from the county	144,868	18,265	163,133
Revenues due from others	89,083	158	89,241
Prepaid expenses	66,599	47,601	114,200
Inventory	16,854	-	16,854
	<u>\$ 5,347,278</u>	<u>\$ 551,618</u>	<u>\$ 5,898,896</u>
Total assets			
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 234,551	\$ -	\$ 234,551
Accrued liabilities	181,776	66,674	248,450
Deferred revenue -			
Property Taxes	1,389,193	239,974	1,629,167
Deferred revenue - Other	254,948	-	254,948
	<u>2,060,468</u>	<u>306,648</u>	<u>2,367,116</u>
Total liabilities			
Fund Balances			
Reserved reported in			
general fund:			
Inventory	16,854	-	16,854
Building improvement	691,966	-	691,966
Unreserved and undesignated,			
reported in:			
General Fund	2,577,990	-	2,577,990
Special revenue funds	-	244,970	244,970
	<u>3,286,810</u>	<u>244,970</u>	<u>3,531,780</u>
Total fund balances			
Total liabilities and fund			
balances	<u>\$ 5,347,278</u>	<u>\$ 551,618</u>	<u>\$ 5,898,896</u>

Champaign-Urbana Public Health District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2009

Total fund balance for governmental funds \$ 3,531,780

Total net assets reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 374,000	
Buildings, net of \$245,439 accumulated depreciation	4,508,578	
Furniture, fixtures, and equipment, net of \$704,809 accumulated depreciation	<u>477,131</u>	
		5,359,709

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,380,377)</u>
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Total net assets of governmental activities \$ 5,511,112

Champaign-Urbana Public Health District
Statement of Revenues, Expenditures,
and Changes in Fund Balances — Governmental Funds
Year Ended June 30, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 2,652,592	\$ 535,304	\$ 3,187,896
Licenses and permits	317,017	-	317,017
Intergovernmental	6,163,349	489,346	6,652,695
Interest	81,727	-	81,727
Charges for services	1,853,269	-	1,853,269
Miscellaneous	108,349	-	108,349
Total revenues	<u>11,176,303</u>	<u>1,024,650</u>	<u>12,200,953</u>
Expenditures			
Administration	1,792,719	205,068	1,997,787
Environmental health	1,213,372	117,059	1,330,431
Infectious disease prevention and management	2,796,340	187,968	2,984,308
Maternal and child health	2,150,886	248,697	2,399,583
Wellness and health promotion	2,260,582	240,414	2,500,996
Debt Service:			
Principal	144,215	-	144,215
Interest	201,428	-	201,428
Capital outlay	238,648	-	238,648
Total expenditures	<u>10,798,190</u>	<u>999,206</u>	<u>11,797,396</u>
Excess of revenues over expenditures	378,113	25,444	403,557
Other Financing Sources (Uses)			
Transfers in	-	229,185	229,185
Transfers out	(229,185)	-	(229,185)
	<u>(229,185)</u>	<u>229,185</u>	<u>-</u>
Net Change in Fund Balances	148,928	254,629	403,557
Fund Balances, Beginning of Year	<u>3,137,882</u>	<u>(9,659)</u>	<u>3,128,223</u>
Fund Balances, End of Year	<u>\$ 3,286,810</u>	<u>\$ 244,970</u>	<u>\$ 3,531,780</u>

Champaign-Urbana Public Health District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fifteen-Month Period Ended June 30, 2009

Net change in fund balances — total governmental funds	\$ 403,557
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	(148,820)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(135,365)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	144,215
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported or are reported in different periods as expenditures in governmental funds.	(4,042)
Change in net assets of governmental activities	<u><u>\$ 259,545</u></u>

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

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 June 30, 2009.

Basis of Presentation

The District's financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the nonfiduciary financial activities of the District. These statements report those activities of the District that are governmental (i.e. generally supported by taxes and intergovernmental revenues).

The statement of net assets presents the financial position of the District's governmental activities at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions (including related investment earnings) that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues.

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

Fund Financial Statements

The District maintains fund accounting in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a single column.

Governmental Funds

Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they are to be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District's major governmental funds are the General and Illinois Municipal Retirement Funds. The General Fund is the District's primary operating fund. It is used to account for all financial transactions, except those required to be accounted for in other funds. The Illinois Municipal Retirement Fund is used to account for the District's contributions to FICA through April 2009 and the Illinois Municipal Retirement Fund.

Basis of Accounting/Measurement Focus

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units.

Government-Wide Financial Statements

The measurement focus establishes the basis of accounting. The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been met.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program expenses are incurred, there may be both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical grants, and then by general revenues.

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when 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 recognized and recorded when incurred. Capital outlay is considered an expenditure in the year incurred and capital assets are not recognized and depreciated in the fund financial statements.

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/expenditures during the reporting period. Actual results could differ from those estimates.

Property Taxes

Property taxes receivable consist of the estimated collectible portion of the 2008 levy which will be collected and recognized during the fifteen-month period ended June 30, 2009. The related revenue is deferred until it is received and available for expenditure. Deferred property tax revenue as of June 30, 2009 was \$1,629,167.

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.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the District:

Buildings and improvements	20 – 40 years
Furniture, fixtures and equipment	3 – 10 years

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

Inventories

The District follows the consumption method of accounting for inventories. Inventories are carried at cost, as determined using the average costing method.

Net Assets

Net assets of the District are classified in three components. Net assets invested in capital assets, net of related debt, consist of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net assets are noncapital assets that must be used for a particular purpose as specified by creditors or grantors external to the District, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net assets are remaining assets less remaining liabilities that do not meet the definition of invested in capital assets, net of related debt or restricted expendable.

Note 2: Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires that all funds on deposit in excess of Federal Deposit Insurance Corporation limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the District. As such, at June 30, 2009, none of the District's bank balance of \$2,647,394 was exposed to custodial credit risk.

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

Note 3: Capital Assets

Capital assets activity for the fifteen-month period ended June 30, 2009 was:

	Beginning Balance	Additions	Transfers	Ending Balance
Land	\$ 374,000	\$ -	\$ -	\$ 374,000
Buildings and improvements	4,606,042	147,975	-	4,754,017
Furniture, fixtures and equipment	1,086,267	95,673	-	1,181,940
Construction work in process	5,000	-	(5,000)	-
	6,071,309	243,648	(5,000)	6,309,957
Less accumulated depreciation				
Buildings and improvements	(93,775)	(151,664)	-	(245,439)
Furniture, fixtures and equipment	(469,007)	(235,802)	-	(704,809)
	(562,782)	(387,466)	-	(950,248)
Net Capital Assets	<u>\$ 5,508,527</u>	<u>\$ (143,818)</u>	<u>\$ (5,000)</u>	<u>\$ 5,359,709</u>

Note 4: Long-term Liabilities

The following is a summary of long-term obligation transactions for the District for the fifteen-month period ended June 30, 2009:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and capital leases					
General obligation bonds payable	\$ 3,296,125	\$ -	\$ 122,619	\$ 3,173,506	\$ 119,257
Capital lease obligations	<u>48,706</u>	<u>-</u>	<u>21,597</u>	<u>27,109</u>	<u>21,331</u>
Total bonds and capital leases	<u>\$ 3,344,831</u>	<u>\$ -</u>	<u>\$ 144,215</u>	<u>\$ 3,200,615</u>	<u>\$ 140,588</u>

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

General Obligation Bonds Payable

On October 26, 2006, the District issued \$4,000,000 of general obligation bonds. The bonds bear interest, payable monthly at a rate of 4.76% and are due in monthly installments, which began December 2007. Principal maturities began June 2008, and continue until 2026. Proceeds from the issuance of these bonds were used to purchase and remodel a new operating facility.

The debt service requirements as of June 30, 2009, are as follows:

	Total to be Paid	Principal	Interest
2010	\$ 269,809	\$ 119,257	\$ 150,552
2011	269,809	125,142	144,667
2012	269,809	130,936	138,873
2013	269,809	137,777	132,032
2014	269,809	144,576	125,233
2015 – 2019	1,349,045	836,841	512,204
2020 – 2024	1,349,045	1,064,712	284,333
2025 – 2027	<u>652,038</u>	<u>614,265</u>	<u>37,773</u>
	\$ <u>4,699,173</u>	\$ <u>3,173,506</u>	\$ <u>1,525,667</u>

Capital Lease Obligations

The District is obligated under leases accounted for as capital leases. Assets under capital leases at June 30, 2009 totaled \$37,959, net of accumulated depreciation of \$51,778. The following is a schedule by year of future minimum lease payments under the capital lease together with the present value of the future minimum lease payments as of June 30, 2009:

2010	\$ 22,754
2011	<u>7,605</u>
Total minimum lease payments	30,359
Less amount representing interest	<u>(3,250)</u>
Present value of future minimum lease payments	\$ <u>27,109</u>

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

Note 5: Operating Leases

The District has obligated leases accounted for as operating leases. Rental expense incurred in the fiscal year ended June 30, 2009 was \$100,759. 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 June 30, 2009.

	<u>Amounts</u>
2010	\$ 15,150
2011	3,060
2012	3,060
2013	3,060
2014	1,530
	<u>\$ 25,860</u>

Note 6: Pension Plan

Plan Description. The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, regular plan members are required to contribute 4.50% of their annual covered salary. The statutes requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 7.97% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the District's annual pension cost of \$336,543 for regular plan was equal to your employer's required and actual contributions.

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2008	\$ 336,543	100%	\$ -
12/31/2007	322,752	100%	-
12/31/2006	283,819	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% 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 the District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between actuarial and market value of assets. The regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 65.99% funded. The actuarial accrued liability for benefits was \$5,213,875 and the actuarial value of assets was \$3,440,834, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,773,041. The covered payroll (annual payroll of active employees covered by the plan) was \$4,222,628 and the ratio of the UAAL to the covered payroll was 42 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

Note 7: Compensated Absences

The District allows employees to accumulate unlimited unused sick leave based upon the termination payment method. 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.

As of June 30, 2009, the liability for accrued vacation, compensatory, and sick leave is \$179,762.

	Balance April 1, 2008	Additions	Deductions	Balance March 31, 2009
Compensated Absences	\$ 175,718	\$ 4,044	\$ -	\$ 179,762

Note 8: 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 plan 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 9: Loss Exposure

Significant losses are covered by commercial insurance for all major programs: property, liability and workers' compensation. During the year ended June 30, 2009, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

Champaign-Urbana Public Health District

Notes to Financial Statements

June 30, 2009

Note 10: Commitments and Contingencies

Claims and Litigation

The District is currently involved in various claims and pending legal actions related to matters arising from the ordinary conduct of business. The District administration believes the ultimate disposition of the actions will not have a material effect on the financial statements of the District.

Required Supplementary Information

Champaign-Urbana Public Health District

Budgetary Comparison Schedule

General Fund

Fifteen-Month Period Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ 2,823,076	\$ 2,627,601	\$ 2,652,592	\$ 24,991
Intergovernmental	5,621,048	5,726,523	6,163,349	436,826
Charges for services	1,952,311	1,926,311	2,170,286	243,975
Miscellaneous income	92,387	208,387	190,076	(18,311)
Total revenues	10,488,822	10,488,822	11,176,303	687,481
Expenditures				
Administration	1,669,839	1,711,339	1,792,719	(81,380)
Environmental health	1,102,147	1,163,947	1,213,372	(49,425)
Infectious disease prevention and management	2,565,458	2,641,758	2,796,340	(154,582)
Maternal and child health	2,252,842	2,137,742	2,150,886	(13,144)
Wellness and health promotion	2,373,400	2,230,600	2,260,582	(29,982)
Debt Service:				
Principal	122,623	143,423	144,215	(792)
Interest	196,628	200,128	201,428	(1,300)
Capital outlay	123,763	177,763	238,648	(60,885)
Total expenditures	10,406,700	10,406,700	10,798,190	(391,490)
Excess (deficiency) of revenues over expenditures	82,122	82,122	378,113	295,991
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(126,336)	(126,336)	(229,185)	(102,849)
	(126,336)	(126,336)	(229,185)	(102,849)
Net Change in Fund Balance	(44,214)	(44,214)	148,928	193,142
Fund Balance, Beginning of Year	3,137,882	3,137,882	3,137,882	-
Fund Balance, End of Year	\$ 3,093,668	\$ 3,093,668	\$ 3,286,810	\$ 193,142

Champaign-Urbana Public Health District

Budgetary Comparison Schedule

General Fund

Fifteen-Month Period Ended June 30, 2009

Note to Schedule

Appropriated Budget

An appropriated budget is legally adopted on an annual fiscal year basis for the General fund. The level of budgetary control is by fund. Funds are budgeted annually under the modified accrual basis of accounting.

Champaign-Urbana Public Health District

Budgetary Comparison Schedule

Schedule of Funding Progress

Fifteen-Month Period Ended June 30, 2009

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)
12/31/2008	\$ 3,440,834	\$ 5,213,875	\$ 1,773,041	65.99%	\$ 4,222,628	41.99%
12/31/2007	5,187,538	5,020,578	(166,960)	103.33%	4,132,545	0.00%
12/31/2006	5,316,331	5,018,546	(297,785)	105.93%	3,495,313	0.00%

Other Supplementary Information

Champaign-Urbana Public Health District
Schedule of Expenditures of Federal Awards
Fifteen-Month Period Ended June 30, 2009

Federal Agency Pass-through Entity/ Cluster Title/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	4/1/2008 through 6/30/2008	7/1/2008 through 6/30/2009	Federal Expenditures
U.S. Department of Agriculture					
Passed through Illinois Department of Public Health Summer Food Service Program For Children	10.559	N/A	\$ -	\$ 800	\$ 800
Passed through Illinois Department of Human Services Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	811G8071900	224,100	-	224,100
	10.557	K11GK071920	-	516,700	516,700
Special Supplemental Nutrition Program for Women, Infants, and Children - noncash	10.557	N/A	-	1,830,521	1,830,521
					<u>2,571,321</u>
Farmers' Market Nutrition Program for Women, Infants and Children	10.572	K11GK071920	-	1,000	1,000
Total U.S. Department of Agriculture				2,573,121	<u>2,573,121</u>
U. S. Department of Housing and Urban Development					
Passed through Illinois Department of Public Health Housing Opportunities for Persons with AIDS Lead-Based Paint Hazard Control in Privately Owned Housing	14.241	85780575	29,587	48,166	77,753
	14.900	65380229	3,600	-	3,600
Total U. S. Department of Housing and Urban Development					<u>81,353</u>
U.S. Department of Health and Human Services					
Passed through Illinois Department of Public Health HIV Care Formula Grants (m)	93.917	75780920	213,356	-	213,356
	93.917	85780675	-	725,683	725,683
					<u>939,039</u>
Centers for Disease Control & Prevention - Investigations and Technical Assistance	93.283	96180181	-	10,000	10,000
	93.283	96180076	-	113,865	113,865
	93.283	86180078	55,464	37,547	93,011
	93.283	N/A	-	630	630
					<u>217,506</u>
Maternal and Child Health Federal Consolidated Program	93.110	N/A	-	5,000	5,000

Champaign-Urbana Public Health District

Schedule of Expenditures of Federal Awards

Fifteen-Month Period Ended June 30, 2009

Federal Agency Pass-through Entity/ Cluster Title/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	4/1/2008 through 6/30/2008	7/1/2008 through 6/30/2009	Amount
(Continued)					
Project Grants and Cooperative Agreement for Tuberculosis Control	93.116	N/A	\$ 2,500	\$ 7,499	\$ 9,999
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.268	N/A	-	110,380	110,380
Immunization Grant	93.268	N/A	-	-	145,313
					<u>255,693</u>
Epidemiologic Research Studies of AIDS and HIV Infection in Selected Population Groups	93.943	85780339	28,576	-	28,576
	93.943	85780644	-	156,597	156,597
	93.943	95780542	-	37,055	37,055
					<u>222,228</u>
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	93.006	80180129	1,220	12,660	13,880
	93.006	90180115	-	10,942	10,942
					<u>24,822</u>
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	85780825	-	33,750	33,750
Public Health Emergency Preparedness	93.069	87181010	30,967	48,563	79,530
	93.069	97181122	-	56,553	56,553
	93.069	97181010	-	70,704	70,704
					<u>206,787</u>
Passed through Illinois Department of Healthcare and Family Services Medical Assistance Program (m)	93.778	N/A	158,702	762,554	921,256
Passed through Illinois Department of Public Health Maternal and Child Health Services Block Grant	93.994	N/A	1,703	1,349	3,052
Passed through Illinois Department of Human Services Maternal and Child Health Services Block Grant	93.994	811G8071372	1,873	-	1,873
	93.994	K11GK071371	-	8,200	8,200
	93.994	K11GK071372	-	30,000	30,000
					<u>43,125</u>

Champaign-Urbana Public Health District

Schedule of Expenditures of Federal Awards

Fifteen-Month Period Ended June 30, 2009

Federal Agency Pass-through Entity/ Cluster Title/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	4/1/2008 through 6/30/2008	7/1/2008 through 6/30/2009	Amount
(Continued)					
U.S. Department of Health and Human Services (Continued)					
Cooperative Agreement for State-based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	811G8071660	2,800	-	\$ 2,800
	93.988	K11GK071900	-	10,000	10,000
					<u>12,800</u>
Social Services Block Grant	93.667	811G8071840	50,260	-	50,260
	93.667	K11GK071300	-	13,200	13,200
	93.667	K11GK071371	-	9,756	9,756
	93.667	K11GK071840	-	600	600
					<u>73,816</u>
Passed through National Association of County and City Health Officials					
Medical Reserve Corps Small Grant Program	93.008	MRC080410	5,000	-	5,000
	93.008	MRC090410	-	4,286	4,286
					<u>9,286</u>
Total U.S. Department of Health and Human Services					<u>2,975,107</u>
Total Expenditures of Federal Awards					<u>\$ 5,629,581</u>

Champaign-Urbana Public Health District

Schedule of Expenditures of Federal Awards

Fifteen-Month Period Ended June 30, 2009

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 basic financial statements.

Note 2: Subrecipients

Program	CFDA Number	Subrecipient	Federal Amount Provided
Epidemiologic Research Studies of AIDS and HIV Infection in Selected Population Groups	93.943	Aunt Martha's Youth Service Center	\$ 2,172
		Community Health Improvement Center	22,021
		McLean County AIDS Task Force	12,954
		McLean County Health Department	20,402
		Sister's and Brother's Helping Each Other	12,954
		Working for Togetherness	4,210
			\$ 74,713

Note 3: Loans

There were no federal loans, loan guarantees or insurance outstanding at June 30, 2009 and during the fifteen month period then ended.

**Independent Accountants' Report on
Internal Control over Financial Reporting and on Compliance and Other Matters
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 financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Champaign-Urbana Public Health District (District) as of and for the fifteen-month period ended June 30, 2009, and have issued our report thereon dated November 17, 2009, which contained explanatory paragraphs regarding omission and inclusion of required supplementary information. 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.

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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

Compliance and Other Matters

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 grant agreements, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 09-01 and 09-02.

We also noted certain additional matters that we reported to the District's management in a separate letter dated November 17, 2009.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

November 17, 2009

**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 fifteen-month period ended June 30, 2009. 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.

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 fifteen-month period ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-01 and 09-02.

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

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-01 and 09-02 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

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

November 17, 2009

Champaign-Urbana Public Health District
Schedule of Findings and Questioned Costs
Fifteen-month Period Ended June 30, 2009

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:

Significant deficiency(ies) noted considered material weakness(es)?

☐ **Yes** ☒ **No**

Significant deficiency(ies) 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:

Significant deficiency(ies) noted considered material weakness(es)?

☐ **Yes** ☒ **No**

Significant deficiency(ies) 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 (continued)
Fifteen-month Period Ended June 30, 2009

7. The Organization's major programs were:

Cluster/Program	CFDA Number
HIV Care Formula Grants	93.917
Medical Assistance Program	93.778

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)
Fifteen-Month Period Ended June 30, 2009

Findings Required to be Reported by Government Auditing Standards

No matters are reportable

Champaign-Urbana Public Health District

Schedule of Findings and Questioned Costs (continued)

Fifteen-Month Period Ended June 30, 2009

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
09-01	Federal Program - HIV Care Formula Grants Project Number 75780920, Program Year 2008	\$ 2,859

Criteria or Specific Requirement — The District shall obtain reimbursement for expenditures incurred during the period of availability.

Condition — The District obtained reimbursement for expenditures incurred during the prior grant year.

Context — Out of a sample of 28 expenditures selected for testing, three of the expenditures were incurred during the prior grant year.

Effect — The District was reimbursed for more than the allowable amount.

Cause — The expenditures were reported based on the period when documentation was received rather than when expenditures were incurred.

Recommendation — The District should review invoices to guarantee transactions are coded to the appropriate funding period. The District should also work with the granting agency to revert the grant funds improperly charged against the 2008 program year.

Views of Responsible Officials and Planned Corrective Action — We concur with the finding. The invoices were inadvertently entered into the accounting software based on the invoice date, rather than the dates of service. This issue was resolved as of August 2009 and these invoices are now being recorded properly based on the date of service. In addition, all service providers have been issued a letter stating that they must submit their invoices to CUPHD in a timely manner. If this is not done, there is no guarantee that the invoices will be approved and paid. Furthermore, the granting agency will be notified of this error and a corrected report will be forwarded through Court of Claims to correct the error for the 2008 program year.

Champaign-Urbana Public Health District

Schedule of Findings and Questioned Costs (continued)

Fifteen-Month Period Ended June 30, 2009

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
09-02	Federal Program - HIV Care Formula Grants Project Number 75780920, Program Year 2009	\$ 9,809

Criteria or Specific Requirement — The District shall obtain reimbursement for expenditures incurred during the period of availability.

Condition — The District obtained reimbursement for expenditures incurred during the prior grant year.

Context — Out of a sample of 12 expenditures selected for testing, three of the expenditures were incurred during the prior grant year.

Effect — The District was reimbursed for more than the allowable amount.

Cause — The expenditures were reported based on the period when documentation was received rather than when expenditures were incurred.

Recommendation — The District should review invoices to guarantee transactions are coded to the appropriate funding period. The District should also work with the granting agency to revert the grant funds improperly charged against the 2009 program year.

Views of Responsible Officials and Planned Corrective Action — We concur with the finding. The invoices were inadvertently entered into the accounting software based on the invoice date, rather than the dates of service. This issue was resolved as of August 2009 and these invoices are now being recorded properly based on the date of service. In addition, all service providers have been issued a letter stating that they must submit their invoices to CUPHD in a timely manner. If this is not done, there is no guarantee that the invoices will be approved and paid. Furthermore, the granting agency will be notified of this error and a corrected report will be forwarded through Court of Claims to correct the error for the 2009 program year.

Champaign-Urbana Public Health District
Summary Schedule of Prior Audit Findings
Fifteen-Month Period Ended June 30, 2009

Reference Number	Finding	Status
08-01	Maintaining Accurate Accounting Records	Not repeated



Public Health

Prevent. Promote. Protect.

Champaign-Urbana Public Health District

November 17, 2009

RE: Corrective Action Plan in Response to the Audit
For the Fifteen Months Ended June 30, 2009

To Whom It May Concern:

Champaign Urbana Public Health District (CUPHD) respectfully submits the following corrective action plan in response to the finding documented in the Accountants' Reports and Financial Statements for the fifteen months ended June 30, 2009 issued by BKD, LLP on November 17, 2009.

The finding and recommendation from the audit report referred to above is discussed below. The finding is numbered consistently with the finding assigned in the report.

SIGNIFICANT DEFICIENCY

Finding 09-01

Recommendation: The District should review invoices to guarantee transactions are coded to the appropriate funding period. The District should also work with the granting agency to revert the grant funds improperly charged against the 2008 program year.

- *Action Taken:* We concur with the finding. The invoices were inadvertently entered into the accounting software based on the invoice date, rather than the dates of service. This issue was resolved as of August 2009 and these invoices are now being recorded properly based on the date of service. In addition, all service providers have been issued a letter stating that they must submit their invoices to CUPHD in a timely manner. If this is not done, there is no guarantee that the invoices will be approved and paid. Furthermore, the granting agency will be notified of this error and a corrected report will be forwarded through Court of Claims to correct the error for the 2008 program year.

Estimated Completion Date: March 2010

Finding 09-02

Recommendation: The District should review invoices to guarantee transactions are coded to the appropriate funding period. The District should also work with the granting agency to revert the grant funds improperly charged against the 2009 program year.

- *Action Taken:* We concur with the finding. The invoices were inadvertently entered into the accounting software based on the invoice date, rather than the dates of service. This issue was resolved as of August 2009 and these invoices are now being recorded properly based on the date of service. In addition, all service providers have been issued a letter stating that they must submit their invoices to CUPHD in a timely manner. If this is not done, there is no guarantee that the invoices will be approved and paid. Furthermore, the granting agency will be notified of this error and a corrected report will be forwarded through Court of Claims to correct the error for the 2009 program year.

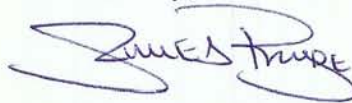
Estimated Completion Date: March 2010

OTHER MATTERS

In regards to other matters reported in a letter to management dated November 17, 2009, CUPHD will begin developing a formal written anti-fraud policy and program to address the concerns noted. The Director of Finance will coordinate these efforts in conjunction with corporate counsel and obtain board approval. The estimated completion date for this is scheduled for April 2010. CUPHD will continue to work to improve segregation of duties, however it becomes more difficult as we now have one less staff person to assign duties to, so will investigate an additional review process.

I am confident that we will rectify the findings and other matters noted in a timely manner as indicated above. In the meantime, if you have any questions regarding this plan, please do not hesitate to contact me at (217) 531-5369 or Andrea Wallace at (217) 531-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie Pryde", with a stylized flourish at the end.

Julie Pryde
Public Health Administrator

CC: Accountants' Reports
& Financial Reports – June 30, 2009