



**Mary Taylor, CPA**  
Auditor of State



SENECA COUNTY DISTRICT BOARD OF HEALTH

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis .....	11
Statement of Activities – Cash Basis.....	12
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds .....	13
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds .....	14
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund .....	15
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Construction and Demolition Debris Fund .....	16
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – WIC Grant Fund .....	17
Notes to the Financial Statements .....	18
Schedule of Federal Awards Expenditures.....	27
Notes to the Schedule of Federal Awards Expenditures .....	28
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> . .....	29
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i> .....	31
Schedule of Findings.....	33
Schedule of Prior Audit Findings.....	34

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Seneca County District Board of Health  
71 South Washington Street  
Tiffin, Ohio 44883-2359

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca County District Board of Health, Ohio (the District) as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca County District Board of Health as of December 31, 2008, and the respective changes in cash financial position and the respective budgetary comparison for the General, Construction and Demolition Debris and WIC funds thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and

One Government Center / Room 1420 / Toledo, OH 43604-2246  
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The schedule of federal awards expenditures is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the schedule of federal awards expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

September 28, 2009

## **SENECA COUNTY DISTRICT BOARD OF HEALTH**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED**

The discussion and analysis of the Seneca County District Board of Health, (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2008, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

#### **Financial Highlights**

Key financial highlights for the year 2008 are as follows:

- Net assets decreased \$12,481 or 2.7% from the prior year. The majority of this decrease occurred in other governmental non-major funds, which realized the greatest reduction in funding due to reduced funding from several operating grants.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the District's receipts, making up 77 % of all the dollars coming into the District. General receipts in the form of property taxes, donations, state subsidy and miscellaneous receipts make up the other 23%.
- The District's disbursements decreased by \$11,321 or 0.46% from the prior year. The majority of this decrease occurred in the Construction and Demolition Debris fund due to the reclassification of waste based on definition and inspection.

#### **Using the Basic Financial Statements**

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

#### **Report Components**

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

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

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

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**Basis of Accounting**

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

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

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2008, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year-end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the District's services. These services are funded primarily by charges for services and operating grants and contributions. The District has no business-type activities.

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the District are governmental.



**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, Construction and Demolition Debris Fund, and the WIC Grant Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2008 compared to 2007 on a cash basis:

**Table 1 - Net Assets**

	<b>Governmental Activities 2008</b>	<b>Governmental Activities 2007</b>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$446,925	\$459,406
<b>Net Assets</b>		
Restricted for:		
Other Purposes	\$425,802	\$454,584
Unrestricted	21,123	4,822
Total Net Assets	\$446,925	\$459,406

As mentioned previously, net assets decreased \$12,481. The decrease is due primarily to a reduction in operating grants received during 2008.

Table 2 reflects the change in net assets on a cash basis in 2008 as compared to 2007.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities 2008</b>	<b>Governmental Activities 2007</b>
<b>Receipts:</b>		
Program Receipts:		
Charges for Services and Sales	\$1,146,315	\$1,164,297
Operating Grants and Contributions	717,714	691,880
<b>Total Program Receipts:</b>	<b>1,864,029</b>	<b>1,856,177</b>
General Receipts:		
Property and Other Local Taxes Levied for General Health		
District Purposes	473,110	484,181
Grants and Entitlements not Restricted to Specific Purposes	54,704	46,473
Donations	2,492	2,843
Miscellaneous	20,373	12,089
<b>Total General Receipts</b>	<b>550,679</b>	<b>545,586</b>
<b>Total Receipts</b>	<b>2,414,708</b>	<b>2,401,763</b>
<b>Disbursements:</b>		
Trailer Park	10,084	12,559
Swimming Pool	5,548	5,484
Food Service	83,984	79,216
Water System	18,918	29,178
Solid Waste	140,870	18,279
Nuisance	11,709	6,104
Radon	41,473	31,199
Sewage	31,100	29,757
Construction and Demolition Debris	238,166	361,408
WIC	291,772	288,147
Senior Services	4,491	5,065
Early Intervention	129	997
Dental Services	18,470	22,153
Help Me Grow	33,324	32,635
Public Health Infrastructure	138,396	166,136
Lead	104,478	104,387
Tobacco Use	5,100	195
Preventive Health	34,907	30,256
Immunizations	106,373	72,927
Wellness	63,679	79,703
Child and Family Health Services	47,348	50,090
Homemaker	73,444	76,458
Administration	923,426	936,177
<b>Total Disbursements</b>	<b>2,427,189</b>	<b>2,438,510</b>
<b>Change in Net Assets</b>	<b>(12,481)</b>	<b>(36,747)</b>
Net Assets January 1,	459,406	496,153
Net Assets December 31,	<b>\$446,925</b>	<b>\$459,406</b>

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

In 2008, 23 percent of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 77 percent of the District's total receipts in year 2008. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants and donations.

Administration accounted for 38 percent of the District's total disbursements for 2008. These costs represent the costs to administer all programs not supported by special revenues. Ten percent of the District's total disbursements were from the Construction and Demolition Debris Fund. These costs are associated with the payment of a portion of the fees collected to the Ohio EPA, Ohio Department of Natural Resources, Seneca County Commissioners, and Loudon Township. An additional 12 percent of the District's disbursements are from the Women Infants, and Children (WIC) fund, which accounts for the Special Supplemental Nutrition Program.

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for construction and demolition debris, administration, and the WIC grant which account for 10%, 38%, and 12% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost for both the current and prior year is presented in Table 3.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**Table 3  
Governmental Activities**

	<b>Total Cost of Services 2008</b>	<b>Net Cost of Services 2008</b>	<b>Total Cost of Services 2007</b>	<b>Net Cost of Services 2007</b>
Trailer Park	\$10,084	\$7	\$12,559	\$1,609
Swimming Pool	5,548	(97)	5,484	39
Food Service	83,984	(4,213)	79,216	6,227
Water System	18,918	1,212	29,178	9,891
Solid Waste	140,870	(287)	18,279	(4,182)
Nuisance	11,709	10,159	6,104	4,804
Radon	41,473	413	31,199	371
Sewage	31,100	7,475	29,757	(5,400)
Construction and Demolition Debris	238,166	7,334	361,408	(17,066)
WIC	291,772	(8,491)	288,147	(3,726)
Senior Services	4,491	284	5,065	194
Early Intervention	129	129	997	997
Dental Services	18,470	12,143	22,153	(6,279)
Help Me Grow	33,324	(2,007)	32,635	(734)
Public Health Infrastructure	138,396	(20,597)	166,136	10,221
Lead	104,478	(3,719)	104,387	7,137
Tobacco Use	5,100	(2,209)	195	195
Preventive Health	34,907	10,910	30,256	(483)
Immunizations	106,373	691	72,927	(11,156)
Wellness	63,679	(4,659)	79,703	2,575
Child and Family Health Services	47,348	3,653	50,090	4,306
Homemaker	73,444	1,615	76,458	4,744
Administration	923,426	553,414	936,177	578,049
<b>Total Expenses</b>	<b>\$2,427,189</b>	<b>\$563,160</b>	<b>\$2,438,510</b>	<b>\$582,333</b>

## SENECA COUNTY DISTRICT BOARD OF HEALTH

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

The District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. Only 23 percent of the District costs are supported through property taxes and other general receipts.

#### **The District's Funds**

Total governmental funds had receipts and other financing sources of \$2,642,504 and disbursements and other financing uses of \$2,654,985. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased by \$16,301 due to the District's ability to repay outstanding advances primarily from the WIC grant fund.

#### **Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During the course of 2008, the District amended its budget as needed.

The General Fund's final budgeted revenues, excluding other financial sources, were \$54,426 less than the original budget. Actual revenue collections, excluding other financing sources, were \$12,203 less than final budget estimates. This lower than anticipated revenue made it necessary to decrease appropriations for expenditures by \$47,311. Actual expenditures, excluding other financing uses were \$3,692 less than final estimates.

#### **Capital Assets**

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

#### **Current Issues**

A major challenge for the District is to provide quality services to the public while complying with the restrictions imposed by limited, and in some cases shrinking funding. We rely on operating grants and are diligent in searching for new funding sources in order to allow our programs to continue. Charges for services and contract rates are analyzed to ensure that costs to administer and carry out programs are covered.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marjorie Broadhead, Health Commissioner, 71 South Washington Street, Tiffin, OH 44883-2359.

**Seneca County District Board of Health**  
*Statement of Net Assets - Cash Basis*  
*For the Year Ended December 31, 2008*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$446,925
 <b>Net Assets</b>	
Restricted for:	
Other Purposes	\$425,802
Unrestricted	21,123
<i>Total Net Assets</i>	\$446,925

See accompanying notes to the basic financial statements

**Seneca County District Board of Health**  
Statement of Activities - Cash Basis  
For the Year Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
<b>Environmental Health</b>				
Trailer Park	\$10,084	\$10,077		(\$7)
Swimming Pool	5,548	5,645		97
Food Service	83,984	88,197		4,213
Water System	18,918	17,706		(1,212)
Solid Waste	140,870	124,900	\$16,257	287
Nuisance	11,709	1,550		(10,159)
Radon	41,473		41,060	(413)
Sewage	31,100	23,625		(7,475)
Construction and Demo Debris	238,166	230,832		(7,334)
<b>Community Health Service</b>				
WIC	291,772	12,780	287,483	8,491
Senior Services	4,491	4,207		(284)
Early Intervention	129			(129)
Dental Service	18,470	6,327		(12,143)
Welcome Home Project	33,324	35,331		2,007
Pulbic Health Infrastructure	138,396	24,600	134,393	20,597
Lead	104,478	14,947	93,250	3,719
Tobacco Use	5,100		7,309	2,209
Preventive Health	34,907		23,997	(10,910)
Immunizations	106,373	60,412	45,270	(691)
Wellness	63,679	68,338		4,659
Child and Family Health Services	47,348		43,695	(3,653)
Homemaker	73,444	46,829	25,000	(1,615)
Administration	923,426	370,012		(553,414)
<b>Total Governmental Activities</b>	<b>2,427,189</b>	<b>1,146,315</b>	<b>717,714</b>	<b>(563,160)</b>
<b>General Receipts</b>				
Property Taxes Levied for				
General Health District Purposes				473,110
Grants and Entitlements not Restricted to Specific Programs				54,704
Donations				2,492
Miscellaneous				20,373
<b>Total General Receipts</b>				<b>550,679</b>
Change in Net Assets				(12,481)
<b>Net Assets Beginning of Year</b>				<b>459,406</b>
<b>Net Assets End of Year</b>				<b>\$446,925</b>

See accompanying notes to the basic financial statements



**Seneca County District Board of Health**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2008*

	General	Construction and Demolition Debris	WIC Grant	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$21,123	\$306,049	\$2,806	\$116,947	\$446,925
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	\$23,061	\$79,345	\$1,909	\$73,825	\$178,140
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	(1,938)				(1,938)
Special Revenue Funds		226,704	897	43,122	270,723
<i>Total Fund Balances</i>	<u>\$21,123</u>	<u>\$306,049</u>	<u>\$2,806</u>	<u>\$116,947</u>	<u>\$446,925</u>

See accompanying notes to the basic financial statements

**Seneca County District Board of Health**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2008*

	General	Construction and Demolition Debris	WIC Grant	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Property and Other Local Taxes	\$473,110				\$473,110
Licenses and Permits	14,805			\$253,564	268,369
Fees	239,907	\$230,832		84,748	555,487
Contractual Services	115,300		\$12,780	194,379	322,459
Intergovernmental	54,704		287,483	430,231	772,418
Donations	156			2,336	2,492
Miscellaneous	18,949	8	96	1,320	20,373
<i>Total Receipts</i>	<u>916,931</u>	<u>230,840</u>	<u>300,359</u>	<u>966,578</u>	<u>2,414,708</u>
<b>Disbursements</b>					
Current:					
Environmental Health					
Trailer Park				10,084	10,084
Swimming Pool				5,548	5,548
Food Service				83,984	83,984
Water System				18,918	18,918
Solid Waste				140,870	140,870
Nuisance				11,709	11,709
Radon				41,473	41,473
Sewage				31,100	31,100
Construction and Demolition Debris		238,166			238,166
Community Health Services					
WIC			291,772		291,772
Senior Services				4,491	4,491
Early Intervention				129	129
Dental Services				18,470	18,470
Help Me Grow				33,324	33,324
Public Health Infrastructure				138,396	138,396
Lead				104,478	104,478
Tobacco Use				5,100	5,100
Preventive Health				34,907	34,907
Immunizations				106,373	106,373
Wellness				63,679	63,679
Child and Family Health Services				47,348	47,348
Homemaker				73,444	73,444
Administration	923,426				923,426
<i>Total Disbursements</i>	<u>923,426</u>	<u>238,166</u>	<u>291,772</u>	<u>973,825</u>	<u>2,427,189</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,495)</u>	<u>(7,326)</u>	<u>8,587</u>	<u>(7,247)</u>	<u>(12,481)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	8,596				8,596
Transfers Out				(8,596)	(8,596)
Advances In	116,700		40,000	62,500	219,200
Advances Out	(102,500)		(60,000)	(56,700)	(219,200)
<i>Total Other Financing Sources (Uses)</i>	<u>22,796</u>		<u>(20,000)</u>	<u>(2,796)</u>	
<i>Net Change in Fund Balances</i>	16,301	(7,326)	(11,413)	(10,043)	(12,481)
<i>Fund Balances Beginning of Year</i>	<u>4,822</u>	<u>313,375</u>	<u>14,219</u>	<u>126,990</u>	<u>459,406</u>
<i>Fund Balances End of Year</i>	<u>\$21,123</u>	<u>\$306,049</u>	<u>\$2,806</u>	<u>\$116,947</u>	<u>\$446,925</u>

See accompanying notes to the basic financial statements

**Seneca County District Board of Health**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$475,364	\$473,397	\$473,110	(\$287)
Licenses and Permits	40,780	19,205	14,805	(4,400)
Fees	287,000	258,171	239,907	(18,264)
Contracted Services	116,502	102,551	115,300	12,749
Intergovernmental	54,695	54,704	54,704	
Intergovernmental			156	156
Miscellaneous	9,219	21,106	18,949	(2,157)
<i>Total Receipts</i>	<u>983,560</u>	<u>929,134</u>	<u>916,931</u>	<u>(12,203)</u>
<b>Disbursements</b>				
Current:				
Administration	997,490	950,179	946,487	3,692
<i>Excess of Receipts Under Disbursements</i>	<u>(13,930)</u>	<u>(21,045)</u>	<u>(29,556)</u>	<u>(15,895)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	4,851	8,628	8,596	(32)
Advances In			116,700	116,700
Advances Out			(102,500)	(102,500)
<i>Total Other Financing Sources</i>	<u>4,851</u>	<u>8,628</u>	<u>22,796</u>	<u>14,168</u>
<i>Net Change in Fund Balances</i>	(9,079)	(12,417)	(6,760)	(1,727)
Prior Year Encumbrances Appropriated	25,569	25,569	25,569	
<i>Fund Balances Beginning of Year</i>	<u>(20,747)</u>	<u>(20,747)</u>	<u>(20,747)</u>	
<i>Fund Balances End of Year</i>	<u>(\$4,257)</u>	<u>(\$7,595)</u>	<u>(\$1,938)</u>	<u>(\$1,727)</u>

See accompanying notes to the basic financial statements

**Seneca County District Board of Health**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Constuction and Demolition Debris Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Fees	\$250,000	\$234,319	\$230,832	(\$3,487)
Intergovernmental		8	8	
<i>Total Receipts</i>	<u>250,000</u>	<u>234,327</u>	<u>230,840</u>	<u>(3,487)</u>
<b>Disbursements</b>				
Current:				
Construction and Demolition Debris	<u>269,463</u>	<u>324,484</u>	<u>317,511</u>	<u>6,973</u>
<i>Net Change in Fund Balances</i>	(19,463)	(90,157)	(86,671)	(10,460)
Prior Year Encumbrances Appropriated	283,299	283,299	283,299	
<i>Fund Balances Beginning of Year</i>	<u>30,076</u>	<u>30,076</u>	<u>30,076</u>	
<i>Fund Balances End of Year</i>	<u><u>\$293,912</u></u>	<u><u>\$223,218</u></u>	<u><u>\$226,704</u></u>	<u><u>(\$10,460)</u></u>

See accompanying notes to the basic financial statements

**Seneca County District Board of Health**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*WIC Grant Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$210,238	\$312,534	\$287,483	(\$25,051)
Contractual Services		12,780	12,780	
Miscellaneous		96	96	
<i>Total Receipts</i>	<u>210,238</u>	<u>325,410</u>	<u>300,359</u>	<u>(25,051)</u>
<b>Disbursements</b>				
Current:				
WIC	<u>204,011</u>	<u>310,613</u>	<u>293,681</u>	<u>16,932</u>
<i>Excess of Receipts Over Disbursements</i>	<u>6,227</u>	<u>14,797</u>	<u>6,678</u>	<u>(41,983)</u>
<b>Other Financing Sources (Uses)</b>				
Advances In			40,000	40,000
Advances Out			<u>(60,000)</u>	<u>(60,000)</u>
<i>Total Other Financing Sources (Uses)</i>			<u>(20,000)</u>	<u>(20,000)</u>
<i>Net Change in Fund Balance</i>	6,227	14,797	(13,322)	(61,983)
<i>Prior Year Encumbrances Appropriated</i>	424	424	424	
<i>Fund Balances Beginning of Year</i>	<u>13,795</u>	<u>13,795</u>	<u>13,795</u>	
<i>Fund Balances End of Year</i>	<u><u>\$20,446</u></u>	<u><u>\$29,016</u></u>	<u><u>\$897</u></u>	<u><u>(\$61,983)</u></u>

See accompanying notes to the basic financial statements

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 1 – REPORTING ENTITY**

The Seneca County District Board of Health, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A ten-member Board with two members appointed by the City of Tiffin, two members appointed by the City of Fostoria, five members appointed by the District Advisory Council, and one member appointed by the District Licensing Advisory Council.

**A. Primary Government**

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

The Seneca County Auditor acts as fiscal agent for the District and the Seneca County Treasurer acts as custodian of all funds.

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

**B. Component Units**

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements show those activities of the District that are governmental. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions.

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

Fund Financial Statements

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

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

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

- 1. General Fund** - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.
- 2. Construction and Demolition Debris Fund** - The Construction and Demolition Debris special revenue fund receives revenue from the landfill at a rate of \$1.60 per ton collected by the landfill. The District retains \$.40 per ton collected and the remaining revenue is disbursed to the Environmental Protection Agency, Department of Natural Resources, Loudon Township, and the Seneca County Commissioners.
- 3. WIC Grant Fund** – The WIC Grant Fund receives revenue from the Ohio Department of Health to provide services to improve the health and nutrition status and prevent health problems among at-risk women, infants and children.

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

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

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

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

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

**E. Cash and Investments**

In accordance with the Ohio Revised Code, the District's cash is held and invested by the Seneca County Treasurer, who acts as custodian for the District's monies. The District's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount. Individual fund integrity is maintained through District records.



SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**F. Restricted Assets**

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

**G. Accumulated Leave**

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

**H. Employer Contributions to Cost-Sharing Pension Plans**

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**I. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include grants for specific purposes.

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

**J. Fund Balance Reserves**

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

**K. Interfund Transactions**

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

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Construction and Demolition Debris Fund, and the WIC Grant Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$23,061 for the General Fund, \$79,345 for the Construction and Demolition Debris Fund, and \$1,909 for the WIC Grant Fund.

**NOTE 4 – PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes collected for 2008 were levied after October 1, 2007, on the assessed values determined as of December 31, 2007, the lien date. These taxes will be collected in and are intended to finance 2009 operations. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described earlier.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. The first payment is due April 30 with the remainder payable by September 20.

The full tax rate for all District operations for the year ended December 31, 2008, was \$1.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property.....	\$888,127,020	94.78%
Public Utility Personal Property.....	<u>48,924,390</u>	<u>5.22%</u>
Total Assessed Value.....	\$937,051,410	100.00%

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

**NOTE 5 – INTERFUND**

During 2008 the following transfer was made:

Transfers from Other Governmental Funds to:	
General Fund	\$8,596

Transfers represent the allocation of unrestricted receipts collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 6 – RISK MANAGEMENT**

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

**NOTE 6 – RISK MANAGEMENT – (CONTINUED)**

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

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

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

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District’s share of these unpaid claims collectible in future years is approximately \$13,000. This payable includes the subsequent year’s contribution due if the District terminates participation, as described in the last paragraph below.

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

<b><u>Contributions to PEP</u></b>	
2006	\$9,658
2007	\$9,732
2008	\$11,442

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

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

**NOTE 7 – DEFINED BENEFIT PENSION PLAN**

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2008, members of all three plans, were required to contribute 10 percent of their annual covered salaries. The District's contribution rate for pension benefits for 2008 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$178,721, \$174,842, and \$165,299, respectively. The full amount has been contributed for 2008, 2007 and 2006.

**NOTE 8 – POSTEMPLOYMENT BENEFITS**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2008 employer contribution rate was 17.4 percent of covered payroll, local government employer contributed 14 percent of covered payroll: 7 percent was the portion used to fund health care for 2008.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 4.00 percent annually for the next 7 years. In subsequent years (9 and beyond) were assumed to increase at 4 percent.

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

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

**NOTE 8 – POSTEMPLOYMENT BENEFITS – (CONTINUED)**

The number of active contributing participants in the traditional and combined plans was 363,503. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**NOTE 9 – CONTINGENCIES - GRANTS**

The District receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	74-1-001-1WA0108 74-1-001-1WA0209	10.557	\$ 222,545 63,702
Total U.S. Department of Agriculture			<u>286,247</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Health</i>			
Maternal and Child Health Services Block Grant to States (CFHS)	74-1-001-1-MC0108 74-1-001-1-MC0209	93.994	3,064 6,583
Maternal and Child Health Services Block Grant to States (Lead Resources)	74-1-001-1-LE0108 74-1-001-1-LE0209	93.994	70,114 16,844
Total Block Grant to States			<u>96,605</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	74-1-001-2-P-0108 74-1-001-2-P-0209	93.283	80,310 31,377
Total Centers for Disease Control and Prevention			<u>111,687</u>
Immunization Grants	74-1-001-2-AZ-07 74-1-001-2-IM0108	93.268	1,536 42,771
Total Immunization Grants			<u>44,307</u>
Preventive Health and Health Services Block Grant	74-1-001-2-EE-07 74-1-001-4-IP0108	93.991	355 29,175
Total Preventive Health and Health Services Grant			<u>29,530</u>
Total U.S. Department of Health and Human Services			<u>282,129</u>
<b>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>			
<i>Passed Through Ohio Department of Health</i>			
State Indoor Radon Grants	74-1-001-2-IR0108 74-1-001-2-IR0209	66.032	34,693 6,396
Total State Indoor Radon Grants			<u>41,089</u>
Total U.S. Department of Environmental Protection Agency			<u>41,089</u>
<b>Total Federal Awards Expenditures</b>			<u><u>\$ 609,465</u></u>

*The accompanying notes are an integral part of this schedule.*

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - MATCHING REQUIREMENTS**

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





# Mary Taylor, CPA

Auditor of State

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

Seneca County District Board of Health  
71 South Washington Street  
Tiffin, Ohio 44883-2359

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca County District Board of Health, (the District) as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 28, 2009 wherein we noted the District prepared its financial statements on the cash basis. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

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

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

We noted a certain matter that we reported to the District's management in a separate letter dated September 28, 2009.

#### **Compliance and Other Matters**

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

We did note a certain noncompliance matter that we reported to the District's management in a separate letter dated September 28, 2009.

We intend this report solely for the information and use of the audit committee, management, the Board, federal awarding agencies, and pass-through entities. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

September 28, 2009



# Mary Taylor, CPA

Auditor of State

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

Seneca County District Board of Health  
71 South Washington Street  
Tiffin, Ohio 44883-2359

To the Members of the Board:

### Compliance

We have audited the compliance of the Seneca County District Board of Health, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District Board of Health complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program 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.

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

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

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

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



**Mary Taylor, CPA**  
Auditor of State

September 28, 2009

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Special Supplemental Nutrition Program for Women, Infants, and Children – CFDA # 10.557
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Significant Deficiency – Material audit adjustments made due to misclassification of contract services as intergovernmental revenue.	Yes	



**Mary Taylor, CPA**  
Auditor of State

**BOARD OF HEALTH**

**SENECA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 15, 2009**