



Dave Yost • Auditor of State

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

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 Basis - General Fund.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget Basis – Construction and Demolition Debris Fund.....	16
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget Basis – WIC Grant Fund.....	17
Notes to the Financial Statements.....	19
Federal Awards Expenditures Schedule.....	29
Notes to the Federal Awards Expenditures Schedule.....	30
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	31
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>	33
Schedule of Findings.....	35

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Seneca County District Board of Health
Seneca County
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 Seneca County District Board of Health, Seneca County, Ohio (the District), as of and for the year ended December 31, 2011, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Seneca County District Board of Health, Seneca County, Ohio, as of December 31, 2011, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General, Construction and Demolition Debris and WIC Grant funds thereof for the year then ended in conformity with the accounting basis Note 2 describes.

As described in Note 3, during 2011 the Seneca County District Board of Health adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the District's financial statements taken as a whole. Management's Discussion and Analysis includes tables of net assets, changes in net assets and governmental activities. The federal awards expenditure schedule (the Schedule) is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These tables and the Schedule provide additional information, but are not part of the basic financial statements. However these tables and the Schedule are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables and the Schedule were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurance on it.



Dave Yost
Auditor of State

May 16, 2012

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED**

The discussion and analysis of the Seneca County District Board of Health's (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2011, 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 2011 are as follows:

- Net assets decreased \$56,662 or 7.55% from the prior year. The majority of this decrease occurred in the general fund.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the District's receipts, accounting for 78.89% 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 remaining 21.11%.
- The District's disbursements increased by \$8,119 from the prior year, due primarily to an increase in construction and demolition services.

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 the statements.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2011, 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 activities are funded primarily by charges 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.

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, the 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 2011 compared to 2010 on a cash basis.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

**Table 1
Net Assets**

	Governmental Activities	
	2011	2010
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 694,611	\$ 751,273
Net Assets		
Restricted for:		
Environmental health	\$ 492,273	
Community health services	125,881	
Other purposes		\$ 639,494
Unrestricted	76,457	111,779
Total Net Assets	\$ 694,611	\$ 751,273

Net assets decreased \$56,662 from 2010, due to the net effect of an increase of \$8,119 in cash disbursements during the year, totaling \$2,513,360 compared to expenses in 2010 of \$2,505,241, a decrease in receipts related to program activities of \$154,336, and a reduction in general receipts from the prior year of \$19,062.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

Table 2 reflects the change in net assets on a cash basis in 2011 as compared to 2010:

**Table 2
Changes in Net Assets**

	Governmental Activities	
	2011	2010
Receipts		
Program Cash Receipts		
Charges for Services and Sales	\$ 1,127,511	\$ 1,155,481
Operating Grants and Contributions	810,521	936,887
Total Program Cash Receipts	<u>1,938,032</u>	<u>2,092,368</u>
General Receipts		
Property Taxes and Other Local Taxes Levied for General Health District Purposes	438,762	438,508
Grants and Entitlements not Restricted to Specific Programs	74,206	80,986
Donations	3,164	3,168
Miscellaneous	2,534	15,066
Total General Receipts	<u>518,666</u>	<u>537,728</u>
Total Receipts	<u>2,456,698</u>	<u>2,630,096</u>
Disbursements		
Environmental Health		
Trailer Park	14,953	10,837
Swimming Pool	9,070	7,957
Food Service	93,797	86,706
Water System	17,559	16,229
Solid Waste	99,482	84,055
Nuisance	155	40
Radon	48,330	51,949
Sewage	24,713	19,513
Construction and Demolition Debris	358,339	235,051
Community Health Services		
WIC	413,074	349,744
Senior Services	4,075	3,939
Dental Services		2,012
Welcome Home Program	14,728	21,733
Public Health Preparedness	177,906	357,367
Lead	60,282	91,181
Tobacco Use		350
Immunizations	122,591	134,422
Wellness	4,841	13,267
Child and family Health Services	36,300	31,494
Homemaker	66,212	65,647
Breast health education	851	
Administration	946,102	921,748
Total Disbursements	<u>2,513,360</u>	<u>2,505,241</u>
Change in Net Assets	(56,662)	124,855
Net Assets at Beginning of Year	<u>751,273</u>	<u>626,418</u>
Net Assets at End of Year	<u>\$ 694,611</u>	<u>\$ 751,273</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

In 2011, 21.11% of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 78.89% of the District's total receipts in year 2011. 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 37.64% of the District's total disbursements for 2011. These costs represent the costs to administer all programs not supported by special revenues. Construction and Demolition Debris and WIC disbursements accounted for 14.26% and 16.44%, respectively, of 2011 total disbursements.

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 environmental health, community health services, and administration, which account for 26.51%, 35.85%, and 37.64% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by individuals who are directly charged for services and grants received by the District that must be used to provide a specific service. The net cost 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 years is presented in Table 3.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

**Table 3
Governmental Activities**

	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
Environmental health				
Trailer park	\$ 14,953	\$ (1,149)	\$10,837	(\$219)
Swimming pool	9,070	875	7,957	182
Food service	93,797	(3,508)	86,706	898
Water system	17,559	(56)	16,229	(1,498)
Solid waste	99,482	(2,684)	84,055	(58,428)
Nuisance	155	70	40	(131)
Radon	48,330	5,705	51,949	(3,893)
Sewage	24,713	2,976	19,513	(2,755)
Construction and demolition services	358,339	1,992	235,051	(32,333)
Community health services				
WIC	413,074	4,735	349,744	(33,920)
Senior services	4,075	(2,814)	3,939	93
Dental services			2,012	1,193
Welcome home program	14,728	2,677	21,733	(3,945)
Public health preparedness	177,906	4,775	357,367	19,190
Lead	60,282	14,950	91,181	(10,987)
Tobacco use			350	350
Immunizations	122,591	(7,702)	134,422	15,485
Wellness	4,841	2,135	13,267	10,448
Child and family health services	36,300	(611)	31,494	(966)
Homemaker	66,212	257	65,647	1,002
Breast health education	851	(5,149)		
Administration	946,102	557,854	921,748	513,107
Totals	\$ 2,513,360	\$ 575,328	\$ 2,505,241	\$ 412,873

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 21.11% of the District costs are supported through property taxes, unrestricted grants and other general receipts.

The District's Funds

Total governmental funds had receipts and other financing sources of \$2,624,698 and disbursements and other financing uses of \$2,681,360.

The general fund is the chief operating fund of the District. Disbursements exceeded receipts in the general fund by \$41,804 in 2011. Property and other local taxes and fees represent 48.57% and 29.30%, respectively, of total receipts of \$903,298 for 2011. The general fund had \$946,102 in disbursements for administration costs during the year.

The construction and demolition debris fund, a major special revenue fund, accounts for receipts collected from the landfill. Receipts in the form of fees of \$356,347 represent an increase of 24.97% from 2010. Correspondingly, disbursements for construction and demolition services increased 34.41% as compared to 2010.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

The Women, Infants, and Children (WIC) fund, a major special revenue fund, accounts for federal grant monies for the WIC program. WIC is a program for pregnant women, women who recently had a baby, breastfeeding moms, infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. Receipts and disbursements in the WIC fund increased by 9.95% and 18.40% from 2010, respectively, due to additional grant receipts during the year.

General 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 2011, the District amended its budget as needed.

The General Fund's final budgeted revenues of \$898,540 were \$2,939 greater than the original budget of \$895,601. Actual revenues collections, excluding other financing sources, were \$903,298, \$4,758 greater than final budget estimates. Actual expenditures of \$965,206, excluding other financing uses, were \$2,368 less than final estimates of \$967,574.

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 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.

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, Suite 1102, Tiffin, OH 44883-2359.

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

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2011

	Governmental Activities
Assets	
Equity in pooled cash and cash equivalents	\$ 694,611
 Net Assets	
Restricted for:	
Environmental health	\$ 492,273
Community health services	125,881
Unrestricted.	76,457
Total net assets	\$ 694,611

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Disbursements	Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental activities:				
Environmental health				
Trailer park	\$ 14,953	\$ 16,102		\$ 1,149
Swimming pool	9,070	8,195		(875)
Food service.	93,797	97,305		3,508
Water system	17,559	17,615		56
Solid waste	99,482	65,000	\$ 37,166	2,684
Nuisance.	155	85		(70)
Radon	48,330		42,625	(5,705)
Sewage.	24,713	21,737		(2,976)
Construction and demolition services	358,339	356,347		(1,992)
Community health services				
WIC.	413,074		408,339	(4,735)
Senior services	4,075	3,904	2,985	2,814
Welcome home program	14,728	12,051		(2,677)
Public health preparedness	177,906	23,417	149,714	(4,775)
Lead.	60,282	2,000	43,332	(14,950)
Immunizations.	122,591	71,844	58,449	7,702
Wellness	4,841	2,706		(2,135)
Child and family health services	36,300		36,911	611
Homemaker	66,212	40,955	25,000	(257)
Breast health education	851		6,000	5,149
Administration	946,102	388,248		(557,854)
Total governmental activities.	\$ 2,513,360	\$ 1,127,511	\$ 810,521	(575,328)
General Receipts:				
Property Taxes and Other Local Taxes				
Levied for General Health District Purposes				438,762
Grants and Entitlements not Restricted to Specific Programs.				74,206
Donations.				3,164
Miscellaneous				2,534
Total General Receipts.				518,666
Change in Net Assets				(56,662)
Net Assets at Beginning of Year.				751,273
Net Assets at End of Year				\$ 694,611

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>WIC Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in pooled cash and cash equivalents.	\$ 69,975	\$ 373,435	\$ 63,269	\$ 187,932	\$ 694,611
Fund Balances					
Restricted:					
Environmental health					
Trailer park				\$ 8,735	\$ 8,735
Swimming pool				655	655
Food service				10,972	10,972
Water system.				4,350	4,350
Solid waste.				68,504	68,504
Radon				18,776	18,776
Sewage				6,846	6,846
Construction and demolition debris		\$ 373,435			373,435
Community health services					
WIC.			\$ 63,269		63,269
Senior services				3,435	3,435
Welcome home program				4,412	4,412
Public health preparedness.				25,756	25,756
Lead				1,821	1,821
Immunizations				13,196	13,196
Child and family health services.				3,667	3,667
Homemaker.				5,176	5,176
Breast health education.				5,149	5,149
Committed:					
Environmental health					
Nuisance.				1,916	1,916
Community health services					
Dental services.				492	492
Preventative health.				2,019	2,019
Wellness.				2,055	2,055
Assigned:					
Administration	\$ 19,104				19,104
Unassigned	50,871				50,871
Total fund balances.	\$ 69,975	\$ 373,435	\$ 63,269	\$ 187,932	\$ 694,611

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General	Construction and Demolition Debris	WIC Grant	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and other local taxes	\$ 438,762				\$ 438,762
Licenses and permits	12,105			\$ 209,849	221,954
Fees	264,636	\$ 356,347		90,740	711,723
Contractual services	111,507			82,328	193,835
Intergovernmental	74,206		\$ 408,339	393,196	875,741
Private grants and donations.	32			12,117	12,149
Miscellaneous	2,050	24	135	325	2,534
Total receipts.	<u>903,298</u>	<u>356,371</u>	<u>408,474</u>	<u>788,555</u>	<u>2,456,698</u>
Disbursements					
Current:					
Environmental health					
Trailer park				14,953	14,953
Swimming pool.				9,070	9,070
Food service				93,797	93,797
Water system.				17,559	17,559
Solid waste.				99,482	99,482
Nuisance				155	155
Radon				48,330	48,330
Sewage.				24,713	24,713
Construction and demolition services		358,339			358,339
Community health services					
WIC			413,074		413,074
Senior services.				4,075	4,075
Welcome home program.				14,728	14,728
Public health preparedness				177,906	177,906
Lead.				60,282	60,282
Immunizations				122,591	122,591
Wellness				4,841	4,841
Child and family health services				36,300	36,300
Homemaker				66,212	66,212
Breast health education				851	851
Administration.	946,102				946,102
Total disbursements	<u>946,102</u>	<u>358,339</u>	<u>413,074</u>	<u>795,845</u>	<u>2,513,360</u>
Excess of disbursements over receipts	<u>(42,804)</u>	<u>(1,968)</u>	<u>(4,600)</u>	<u>(7,290)</u>	<u>(56,662)</u>
Other financing sources (uses)					
Advances in.	84,500		40,000	43,500	168,000
Advances (out)	<u>(83,500)</u>		<u>(40,000)</u>	<u>(44,500)</u>	<u>(168,000)</u>
Total other financing sources (uses).	<u>1,000</u>			<u>(1,000)</u>	
Net change in fund balances	(41,804)	(1,968)	(4,600)	(8,290)	(56,662)
Fund balances beginning of year.	111,779	375,403	67,869	196,222	751,273
Fund balances end of year	<u>\$ 69,975</u>	<u>\$ 373,435</u>	<u>\$ 63,269</u>	<u>\$ 187,932</u>	<u>\$ 694,611</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Receipts				
Property and other local taxes.	\$ 500,706	\$ 473,805	\$ 438,762	\$ (35,043)
Licenses and Permits	10,845	11,745	12,105	360
Fees	269,765	262,266	264,636	2,370
Contractual services	99,318	109,354	111,507	2,153
Intergovernmental	8,917	39,363	74,206	34,843
Private grants and donations.	6,050	2,007	32	32
Miscellaneous	<u>6,050</u>	<u>2,007</u>	<u>2,050</u>	<u>43</u>
Total receipts.	<u>895,601</u>	<u>898,540</u>	<u>903,298</u>	<u>4,758</u>
Disbursements				
Current:				
Administration.	<u>933,677</u>	<u>967,574</u>	<u>965,206</u>	<u>2,368</u>
Excess of disbursements over receipts.	<u>(38,076)</u>	<u>(69,034)</u>	<u>(61,908)</u>	<u>7,126</u>
Other financing sources (uses)				
Advances in.	<u> </u>	<u> </u>	84,500	84,500
Advances (out)	<u> </u>	<u> </u>	<u>(83,500)</u>	<u>(83,500)</u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u>1,000</u>	<u>1,000</u>
Net change in fund balance.	(38,076)	(69,034)	(60,908)	8,126
Fund balance beginning of year.	88,618	88,618	88,618	
Prior year encumbrances appropriated	<u>23,161</u>	<u>23,161</u>	<u>23,161</u>	
Fund balance end of year	<u>\$ 73,703</u>	<u>\$ 42,745</u>	<u>\$ 50,871</u>	<u>\$ 8,126</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET BASIS
CONSTRUCTION AND DEMOLITION DEBRIS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fees	\$ 360,000	\$ 376,849	\$ 356,347	\$ (20,502)
Miscellaneous		24	24	
Total receipts.	<u>360,000</u>	<u>376,873</u>	<u>356,371</u>	<u>(20,502)</u>
Disbursements				
Current:				
Environmental health				
Construction and demolition services.	<u>362,400</u>	<u>415,201</u>	<u>413,925</u>	<u>1,276</u>
Net change in fund balance.	(2,400)	(38,328)	(57,554)	(19,226)
Fund balance beginning of year.	312,363	312,363	312,363	
Prior year encumbrances appropriated	<u>63,040</u>	<u>63,040</u>	<u>63,040</u>	
Fund balance end of year	<u>\$ 373,003</u>	<u>\$ 337,075</u>	<u>\$ 317,849</u>	<u>\$ (19,226)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET BASIS
WIC GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 326,039	\$ 408,339	\$ 408,339	
Miscellaneous		135	135	
	<u>326,039</u>	<u>408,474</u>	<u>408,474</u>	
Disbursements				
Current:				
Community health services				
WIC.	366,530	476,342	430,981	45,361
Excess of disbursements over receipts	<u>(40,491)</u>	<u>(67,868)</u>	<u>(22,507)</u>	<u>45,361</u>
Other financing sources (uses)				
Advances in.			40,000	40,000
Advances (out)			<u>(40,000)</u>	<u>(40,000)</u>
Total other financing sources (uses).				
Net change in fund balance	(40,491)	(67,868)	(22,507)	45,361
Fund balance beginning of year	43,339	43,339	43,339	
Prior year encumbrances appropriated.	<u>24,530</u>	<u>24,530</u>	<u>24,530</u>	
Fund balance end of year	<u>\$ 27,378</u>	<u>\$ 1</u>	<u>\$ 45,362</u>	<u>\$ 45,361</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 1 - REPORTING ENTITY

The Seneca District Board of Health, Seneca County, 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, certification of birth and death records, women-infant-children nutritional education 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. The 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
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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, except for fiduciary funds. 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, and 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 modified 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. Nonmajor 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:

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.

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.

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
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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 or committed 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 indentified 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 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
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. 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.

G. 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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

H. 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 expense is incurred for purposes for which both restricted and unrestricted resources are available.

I. Fund Cash Balance

The District reports classifications of fund cash balance based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following categories may be used:

Nonspendable - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally required to be maintained intact.

Restricted - amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, the Board of Health.

Assigned - amounts that are constrained by the District's intent to be used for specific purpose, but are neither restricted nor committed. Assigned amounts include those approved through the District's formal purchasing procedure.

Unassigned - residual fund balance within the general fund that is in spendable form that is not restricted, committed, or assigned.

The District applies restricted resources first when a disbursement is incurred for purposes for which restricted and unrestricted fund cash balance is available. The District considers committed, assigned, and unassigned fund cash balances, respectively, to be spent when disbursements are incurred for purposes for which any of the unrestricted fund cash balance classifications could be used.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Interfund Transactions

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

The District records advances in and advances out as interfund loans. These items are not reported as assets and liabilities in the accompanying financial statements.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For 2011, the District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types. The implementation of GASB Statement No. 54 did not have an effect on the previously reported fund balances.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the District.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison schedule presented for the general fund and the major special revenue funds are presented 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 disbursements (budgetary) rather than assigned, committed or restricted fund balance (cash).

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements:

	Fund Balance		
	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>WIC Grant</u>
Cash basis	\$ 69,975	\$ 373,435	\$ 63,269
Adjustment for encumbrances	<u>(19,104)</u>	<u>(55,586)</u>	<u>(17,907)</u>
Budgetary basis	<u>\$ 50,871</u>	<u>\$ 317,849</u>	<u>\$ 45,362</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 5 - 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 2011 represent the collection of 2010 taxes. Real property taxes received in 2010 were levied after October 1, 2010, on the assessed values as of January 1, 2010, 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 on December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real property taxes collected for 2011 were levied after October 1, 2010, on the assessed values determined as of December 31, 2010, the lien date. These taxes will be collected in and are intended to finance 2012 operations. Public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described earlier.

The full tax rate for all District operations for the year ended December 31, 2011, was \$1.90 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2011 property tax receipts were based are as follows:

Real property	\$	887,121,200	94.62%
Public utility personal property		50,414,250	5.38%
Total assessed valuation	\$	937,535,450	100.00%

NOTE 6 – INTERFUND ADVANCES

Interfund advances for the year ended December 31, 2011, consisted of the following, as reported on the fund statements:

Advances to the general fund from:

WIC grant fund	\$ 40,000
Nonmajor governmental funds	44,500

Advances from the general fund to:

WIC grant fund	\$ 40,000
Nonmajor governmental funds	43,500

The primary purpose of the interfund advances is to cover costs in specific funds where revenues were not received by December 31. These interfund advances are also made to repay advances made in the prior fiscal year from the general fund.

Interfund advances between governmental funds are eliminated on the government-wide financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 7 - 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 insurance for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2011, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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.

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, 2010 and 2009 (the latest information available):

<u>Casualty & Property Coverage</u>	<u>2010</u>	<u>2009</u>
Assets	\$ 34,952,010	\$ 36,374,898
Liabilities	<u>(14,320,812)</u>	<u>(15,256,862)</u>
Retained earnings	<u>\$ 20,631,198</u>	<u>\$ 21,118,036</u>

At December 31, 2010 and 2009 (the latest information available), respectively, casualty coverage liabilities noted above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. Assets and retained earnings also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member political subdivisions in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the District's share of these unpaid claims collectible in future years is approximately \$11,000.

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 liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 7 - RISK MANAGEMENT - (Continued)

<u>Contributions to PEP</u>	
2009	\$ 11,322
2010	\$ 11,189
2011	\$ 12,080

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP. They must 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 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 was incurred or reported prior to the withdrawal.

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Plan Description - The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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% 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 Pension 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 Pension and the 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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2011 member contribution rates were 10.00% for members in State and local classifications. The District's contribution rate for 2011 was 14.00% of covered payroll.

The District's contribution rate for pension benefits for members in the Traditional Plan for 2011 was 10.00%. The District's contribution rate for pension benefits for members in the Combined Plan for 2011 was 7.95%. The District's required contributions to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$170,832, \$163,508, and \$174,506, respectively; 100% has been contributed for 2011, 2010 and 2009.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 9 - POSTRETIREMENT BENEFITS

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

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.00% of covered payroll and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$49,624, \$59,369, and \$73,501, respectively; 100% has been contributed for 2011, 2010 and 2009.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 10 - CONTINGENT 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.

NOTE 11 - COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

General fund	\$ 19,104
Major special revenue funds:	
Construction and demolition debris	55,586
WIC grant	17,907
Other governmental funds	<u>17,711</u>
Total	<u>\$ 110,308</u>

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

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	74-1-001-1WA0512 74-1-001-1WA0411	10.557	\$ 81,609 309,408
Total U.S. Department of Agriculture			<u>391,017</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Passed Through Ohio Department of Health</i>			
Maternal and Child Health Services Block Grant to States (CFHS)	74-1-001-1-MC0512 74-1-001-1-MC0411	93.994	17,373 11,638
Maternal and Child Health Services Block Grant to States (Lead Resources)	74-1-001-1-LE0411	93.994	49,011
Total Block Grant to States			<u>78,022</u>
Immunization Grants	74-1-001-2-IM0411 74-1-001-2-IM0310	93.268	46,414 2,498
Total Immunization Grants			<u>48,912</u>
Public Health Emergency Preparedness	74-1-001-2-PH0312 74-1-001-2-PH0211	93.069	27,504 120,573
Total Public Health Emergency Preparedness			<u>148,077</u>
Total U.S. Department of Health and Human Services			<u>275,011</u>
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY <i>Passed Through Ohio Department of Health</i>			
State Indoor Radon Grants	74-1-001-2-IR0512 74-1-001-2-IR0411	66.032	6,806 31,584
Total State Indoor Radon Grants			<u>38,390</u>
Total Federal Awards Expenditures			<u>\$ 704,418</u>

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

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Seneca County District Board of Health's (the District's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Dave Yost • Auditor of State

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

Seneca County District Board of Health
Seneca County
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, Seneca County, Ohio (the District), as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 16, 2012, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles and we noted the District implemented GASB statement 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

One Government Center, Suite 1420, Toledo, Ohio 43604-2246
Phone: 419-245-2811 or 800-443-9276 Fax: 419-245-2484
www.Ohioauditor.gov

Seneca County District Board of Health
Seneca County
Independent Accountants' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Required by Government Auditing Standards
Page 2

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

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

Dave Yost
Auditor of State

May 16, 2012



Dave Yost • Auditor of State

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

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

To the Members of the Board:

Compliance

We have audited the compliance of Seneca County District Board of Health, Seneca County, Ohio (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 could directly and materially affect the District's major federal program for the year ended December 31, 2011. 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 its major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the 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 these 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 these requirements.

In our opinion, the Seneca County District Board of Health, Seneca County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2011.

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, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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 Members of the Board, others within the District, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Dave Yost
Auditor of State

May 16, 2012

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FEDERAL AWARDS

None

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Dave Yost • Auditor of State

SENECA COUNTY DISTRICT 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
JUNE 5, 2012