



Dave Yost • Auditor of State



**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

**TABLE OF CONTENTS**

| <b>TITLE</b>  | <b>PAGE</b> |
|---|-------------|
| Independent Auditor's Report .....  | 1           |
| Management's Discussion and Analysis.....   | 5           |
| Basic Financial Statements:   |             |
| Government-Wide Financial Statements:   |             |
| Statement of Net Position – Cash Basis .....  | 13          |
| Statement of Activities – Cash Basis.....   | 14          |
| Fund Financial Statements:  |             |
| Statement of Assets and Fund Balance – Cash Basis.....  | 15          |
| Statement of Receipts, Disbursements and Changes in Fund Balances -<br>Cash Basis – Governmental Funds.....   | 16          |
| Statement of Receipts, Disbursements, and Changes in Fund Balance –<br>Budget and Actual (Budget Basis) General Fund .....  | 17          |
| Statement of Receipts, Disbursements, and Changes in Fund Balance –<br>Budget and Actual (Budget Basis) Women, Infants and Children Fund .....  | 18          |
| Statement of Fiduciary Net Position – Cash Basis – Fiduciary Funds.....   | 19          |
| Notes to the Basic Financial Statements .....   | 21          |
| Federal Awards Expenditures Schedule.....   | 31          |
| Notes to the Federal Awards Expenditures Schedule .....   | 32          |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....                 | 33          |
| Independent Auditor's Report on Compliance with Requirements Applicable to Each<br>Major Federal Program and on Internal Control Over Compliance Required by<br>OMB Circular A-133..... | 35          |
| Schedule of Findings – OMB Circular A-133 § .505 .....  | 37          |

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Zanesville-Muskingum County General Health District  
Muskingum County  
205 North Seventh Street  
Zanesville, Ohio 43701

To the Board of Health:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Zanesville-Muskingum County General Health District, Muskingum County, Ohio (the Health District), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Health District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Health District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

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 Zanesville-Muskingum County General Health District, Muskingum County, Ohio, as of December 31, 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General and Women, Infants and Children Funds thereof for the year then ended in accordance with accounting basis described in Note 2.

### ***Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Supplemental and Other Information*

We audited to opine on the Health District's financial statements that collectively comprise its basic financial statements.

*Management's Discussion and Analysis* includes tables of net position, changes in net position, and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

The Federal Awards Expenditures Schedule (the Schedule) also presents additional analysis as 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 financial statements.

These tables and the Schedule are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables and the Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables and the Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the Schedule are 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 & Analysis, and we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2014, on our consideration of the Health 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control over financial reporting and compliance.

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  
Columbus, Ohio

June 2, 2014

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**Zanesville-Muskingum County Health District  
Muskingum County**

Management's Discussion and Analysis  
For the Year Ended December 31, 2013

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The discussion and analysis of the Zanesville-Muskingum County Health District's (the Health District's) financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2013, within the limitations of the Health District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Health District's financial performance.

Financial Highlights

Key financial highlights for the year 2013 are as follows:

- Net position increased \$391,108. The Health District had a significant increase in revenue in its plumbing area due to a large project with the Genesis Hospital. The Health District also began accepting private insurance in its Immunization program, which resulted in increased revenue in that program.
- The Health District began receiving the Women, Infants, and Children (WIC) Grant October 1, 2010. This grant's mission is to safeguard the health of low-income women with infants and children up to age 5 who are at nutrition risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care. The total amount received in 2013 for the 2012-2013 grant was \$385,929, while receipts for the 2013-2014 grant were \$86,622.
- Operating grant dollars have decreased \$111,931 due to the lack of timing of some grant payments. Additionally, the lead grant ended in 2013.
- Contract services increased \$38,999 in 2013 due in part to a contract with Enterprise Rental Cars for a lease program and a contract with JK Evans for job descriptions.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the majority of the Health District's receipts, making up almost 53% of all the dollars coming into the District. General receipts in the form of property taxes and unrestricted grants make up the other 47%.
- The Health District had \$4,489,729 in disbursements during 2013. The operating of the Community Health Services area makes up 48% of the disbursements. The Environmental Health area made up 15% of the disbursements. The Health Promotion and Planning made up 12% of the disbursements. The Vital Statistics area represented 4% of the disbursements. The Administration area made up the remaining 21% of the disbursements.

Using the Basic Financial Statements

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

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District Board of Health as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Health District, presenting both an aggregate view of the Health District's finances and a longer-term view of those finances.

**Zanesville-Muskingum County Health District**  
**Muskingum County**

Management's Discussion and Analysis  
For the Year Ended December 31, 2013

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Using the Basic Financial Statements (Continued)

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

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

Basis of Accounting

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

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

Reporting the Health District as a Whole

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis reflect how the Health District did financially during 2013, within the limitations of the cash basis of accounting. The Statement of Net Position – Cash Basis presents the cash balances of the governmental activities of the Health 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 Health District's general receipts.

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

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the Health District's services. The Health District has no business-type activities.

**Zanesville-Muskingum County Health District  
Muskingum County**

Management's Discussion and Analysis  
For the Year Ended December 31, 2013

Reporting the Health District's Most Significant Funds (Continued)

Fund Financial Statements

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

Governmental Funds – Most of the Health District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Health 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 Health District's health programs.

The Health 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 Health District's major governmental fund is the General Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Health District. They are not reflected on the government-wide financial statements because the resources from those funds are not available to support the Health District's programs. The Health District is acting in an agency capacity for the Muskingum County Families & Children First Council whereas the Health District serves as its fiscal agent and administrative agent.

The Health District as a Whole

Table 1 provides a summary of the Health District's net position for 2013 compared to 2012 on a cash basis:

| <b>Table 1</b>                             |                                |                    |                  |
|--|--------------------------------|--------------------|------------------|
| <b>Net Position – Cash Basis</b>           |                                |                    |                  |
|  | <b>Governmental Activities</b> |                    |                  |
|  | <b>2013</b>                    | <b>2012</b>        | <b>Change</b>    |
| <b>Assets</b>                              |                                |                    |                  |
| Equity in Pooled Cash and Cash Equivalents | \$4,779,184                    | \$4,388,076        | \$391,108        |
| Total Assets                               | <u>\$4,779,184</u>             | <u>\$4,388,076</u> | <u>\$391,108</u> |
| <b>Net Position</b>                        |                                |                    |                  |
| Restricted                                 | \$256,541                      | \$336,012          | (\$79,471)       |
| Unrestricted                               | 4,522,643                      | 4,052,064          | 470,579          |
| Total Net Position                         | <u>\$4,779,184</u>             | <u>\$4,388,076</u> | <u>\$391,108</u> |

Table 2 reflects the comparison in net position between 2013 and 2012.

**Zanesville-Muskingum County Health District  
Muskingum County**

Management's Discussion and Analysis  
For the Year Ended December 31, 2013

**Table 2  
Changes in Net Position  
Governmental  
Activities  
2013**

|  | <b>Governmental<br/>Activities<br/>2013</b> | <b>Governmental<br/>Activities<br/>2012</b> | <b>Net Change<br/>In Assets<br/>2012</b> |
|--|---|---|--|
| <b>Receipts</b>  |   |   |  |
| Program Cash Receipts  |   |   |  |
| Charges for services   | \$1,232,122                                 | \$1,032,176                                 | \$199,946                                |
| Operating Grants and Contributions                             | 1,331,393                                   | 1,443,324                                   | (111,931)                                |
| <b>Total Program Cash Receipts</b>                             | <b>2,563,515</b>                            | <b>2,475,500</b>                            | <b>88,015</b>                            |
| Grant Receipts   |   |   |  |
| Grants and Entitlements not restricted to<br>Specific Programs | 2,317,322                                   | 2,425,004                                   | (107,682)                                |
| Miscellaneous  |   | 25  | (25)                                     |
| <b>Total General Receipts</b>                                  | <b>2,317,322</b>                            | <b>2,425,029</b>                            | <b>(107,707)</b>                         |
| <b>Total Receipts</b>  | <b>4,880,837</b>                            | <b>4,900,529</b>                            | <b>(19,692)</b>                          |
| <b>Disbursements</b>   |   |   |  |
| Environmental Health   |   |   |  |
| General Environmental Health                                   | 163,549                                     | 115,229                                     | 48,320                                   |
| Mosquito Control   | 25,699                                      | 27,637                                      | (1,938)                                  |
| Plumbing   | 155,216                                     | 157,853                                     | (2,637)                                  |
| Solid Waste  | 5,576                                       | 6,365                                       | (789)                                    |
| Sewage   | 65,098                                      | 59,191                                      | 5,907                                    |
| Food Service   | 169,436                                     | 140,646                                     | 28,790                                   |
| RV Parks   | 12,604                                      | 10,673                                      | 1,931                                    |
| Camps/Mobile Home Parks  | 10,386                                      | 10,509                                      | (123)                                    |
| Water System   | 29,611                                      | 17,090                                      | 12,521                                   |
| Pools/Spas   | 15,971                                      | 15,627                                      | 344                                      |
| Community Health Services                                      |   |   |  |
| Immunizations  | 318,373                                     | 256,282                                     | 62,091                                   |
| Communicable Diseases  | 89,893                                      | 59,386                                      | 30,507                                   |
| Dental Sealant   | 126,706                                     | 115,721                                     | 10,985                                   |
| General Medical Administration                                 | 206,543                                     | 197,287                                     | 9,256                                    |
| Adult Care   | 75,820                                      | 37,855                                      | 37,965                                   |
| BCMH   | 178,273                                     | 171,925                                     | 6,348                                    |
| WIC  | 519,258                                     | 501,357                                     | 17,901                                   |
| Other Community Health Services                                | 628,988                                     | 585,467                                     | 43,521                                   |
| Health Promotion and Planning                                  |   |   |  |
| Health Promotion and Planning                                  | 307,562                                     | 293,055                                     | 14,507                                   |
| Public Health Infrastructure                                   | 253,760                                     | 273,203                                     | (19,443)                                 |
| Vital Statistics   | 196,562                                     | 193,495                                     | 3,067                                    |
| Administration   | 934,845                                     | 935,277                                     | (432)                                    |
| <b>Total Disbursements</b>                                     | <b>4,489,729</b>                            | <b>4,181,130</b>                            | <b>308,599</b>                           |
| <b>Change in Net Position</b>                                  | <b>391,108</b>                              | <b>719,399</b>                              | <b>(328,291)</b>                         |
| <b>Net Position Beginning of Year</b>                          | <b>4,388,076</b>                            | <b>3,668,677</b>                            | <b>719,399</b>                           |
| <b>Net Position End of Year</b>                                | <b>\$4,779,184</b>                          | <b>\$4,388,076</b>                          | <b>\$391,108</b>                         |

**Zanesville-Muskingum County Health District  
Muskingum County**

Management's Discussion and Analysis  
For the Year Ended December 31, 2013

In 2013, 47% of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general health district purposes. Program receipts accounted for 53% of the Health District's total receipts in year 2013. In 2012, 49% of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general health district purposes. Program receipts accounted for 51% of the Health District's total receipts in year 2012. These receipts consist primarily of charges for services in the clinics, 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.

The 2013 disbursements were mainly in the operations of the environmental programs, providing Community Health services and for Health Promotion and Planning as were the 2012 disbursements. The major areas of disbursement in Environmental Health, reflects the costs of certification and enforcement of rules and regulations regarding, plumbing, sewage, and food service. For Community Health services, disbursements are utilized to provide services for immunization, communicable diseases and dental sealant needs. Health Promotion and Planning disbursements were centered on community health education and assessments.

Governmental Activities

Table 3 reflects the comparative of total cost of services and the net cost by program for the year 2013 and 2012.

**Table 3  
Governmental Activities**

|                                 | <b>Total Cost of<br/>Services 2013</b> | <b>Net Cost of<br/>Services 2013</b> | <b>Total Cost of<br/>Services 2012</b> | <b>Net Cost of<br/>Services 2012</b> |
|---------------------------------|--|--------------------------------------|--|--------------------------------------|
| <b>Disbursements</b>            |  |                                      |  |                                      |
| Environmental Health            |  |                                      |  |                                      |
| General Environmental Health    | \$163,549                              | \$156,145                            | \$115,229                              | \$102,743                            |
| Mosquito Control                | 25,699                                 | 25,699                               | 27,637                                 | 27,637                               |
| Plumbing                        | 155,216                                | (137,266)                            | 157,853                                | (103,745)                            |
| Solid Waste                     | 5,576                                  | 5,576                                | 6,365                                  | 6,365                                |
| Sewage                          | 65,098                                 | (2,492)                              | 59,191                                 | (5,683)                              |
| Food Service                    | 169,436                                | 30,687                               | 140,646                                | 19,424                               |
| RV Parks                        | 12,604                                 | 121                                  | 10,673                                 | (1,497)                              |
| Camps/Mobile Home Parks         | 10,386                                 | 5,351                                | 10,509                                 | 6,908                                |
| Water System                    | 29,611                                 | 2,236                                | 17,090                                 | (8,527)                              |
| Pools/Spas                      | 15,971                                 | 2,156                                | 15,627                                 | 1,138                                |
| Community Health Services       |  |                                      |  |                                      |
| Immunizations                   | 318,373                                | 25,201                               | 256,282                                | 98,134                               |
| Communicable Diseases           | 89,893                                 | 83,911                               | 59,386                                 | 50,305                               |
| Dental Sealant                  | 126,706                                | 5,711                                | 115,721                                | (3,647)                              |
| General Medical Administration  | 206,543                                | 204,948                              | 197,287                                | 195,489                              |
| Adult Care                      | 75,820                                 | 75,820                               | 37,855                                 | 37,855                               |
| BCMH                            | 178,273                                | 77,854                               | 171,925                                | 36,376                               |
| WIC                             | 519,258                                | 46,812                               | 501,357                                | 12,220                               |
| Other Community Health Services | 628,988                                | 186,425                              | 585,467                                | 151,009                              |
| Health Promotion and Planning   |  |                                      |  |                                      |
| Health Promotion and Planning   | 307,562                                | 241,891                              | 293,055                                | 189,335                              |
| Public Health Infrastructure    | 253,760                                | 65,033                               | 273,203                                | 96,982                               |
| Vital Statistics                | 196,562                                | (2,372)                              | 193,495                                | (8,884)                              |
| Administration                  | 934,845                                | 826,767                              | 935,277                                | 805,693                              |
| <b>Total Disbursements</b>      | <b>\$4,489,729</b>                     | <b>\$1,926,214</b>                   | <b>\$4,181,130</b>                     | <b>\$1,705,630</b>                   |

**Zanesville-Muskingum County Health District**  
**Muskingum County**

Management's Discussion and Analysis  
For the Year Ended December 31, 2013

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This table shows the costs of providing services in 2013 compared to 2012. The major program disbursements for total governmental activities and their percent of disbursements are Environmental Health (15%), Community Health Services (48%), Health Promotion and Planning (12%), Vital Statistics (4%), and Administration (21%). Those areas with a negative amount in the Net Cost of Services are revenue generating areas. Plumbing generated \$33,521 more revenue than 2013. This was due to a major construction project with Genesis Health Care systems.

The Statement of Activities – Cash Basis

The Statement of Activities – Cash Basis, shows in the first column the list of major services provided by the Health District. The next column identifies the costs of providing these services. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the services and sales of the operating grants received by the Health District that must be used to provide a specific service. The final column (net disbursements receipts and changes in Net Position) 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 taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

The Health District has tried to supplement its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. The Health District costs are supported by 43% of property taxes and entitlements not restricted to specific programs.

The environmental health programs had net disbursements of \$88,213. Environmental health programs are intended to be self-supporting but when this does not occur, the net disbursements of the programs are funded by property taxes and local subsidies. The Community Health Services had net disbursements of \$706,682 and, except the Dental Sealant and WIC programs, were all funded by property taxes, charges for services, operating grant and local subsidies. Health Promotion and Planning with net disbursements of \$306,924 and Administration with net disbursements of \$826,767 were funded by property taxes and local subsidies.

The Health District's Funds

As noted earlier, the Health District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Health District's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Health District's financing requirements.

At the end of 2013, the Health District's governmental funds reported total ending fund balances of \$4,779,184, \$4,474,017 of the total is unassigned fund balance, which is available for new spending. The remainder of fund balance is restricted or assigned to indicate it is not available for new spending.

The General Fund is the chief operating fund of the Health District. At the end of 2013, unassigned fund balance in the general fund was \$4,474,017.

Receipts exceeded disbursements in the general fund by \$491,304 in 2013. License and permit fees account for 8% of receipts in the general fund while charges for services account for 17% of receipts. Intergovernmental revenues consist of payments from levies, other agencies and state subsidies for the Health District. Community Health Services accounts for the majority of disbursements in the general fund.

**Zanesville-Muskingum County Health District  
Muskingum County**

Management's Discussion and Analysis  
For the Year Ended December 31, 2013

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General Fund Budgeting Highlights

The Health 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. The most significant budgeted fund is the General Fund.

During the course of 2013, the Health District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts.

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health District's finances and to reflect the Health 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 Corey Hamilton, Health Commissioner, at Zanesville-Muskingum County Health Department 205 N Seventh Street, Zanesville, Ohio 43701, (740) 454-9741.

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**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2013*

|  | <u>Governmental Activities</u> |
|--|--------------------------------|
| <b>Assets</b>                              |                                |
| Equity in Pooled Cash and Cash Equivalents | <u>\$4,779,184</u>             |
| <i>Total Assets</i>                        | <u><u>\$4,779,184</u></u>      |
| <b>Net Position</b>                        |                                |
| Restricted                                 | \$256,541                      |
| Unrestricted                               | <u>4,522,643</u>               |
| <i>Total Net Position</i>                  | <u><u>\$4,779,184</u></u>      |

See accompanying notes to the basic financial statements



**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2013*

|  | <u>General</u>            | <u>WIC<br/>Funds</u>  | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------------|-----------------------|---|---|
| <b>Assets</b>                              |                           |                       |   |   |
| Equity in Pooled Cash and Cash Equivalents | \$4,522,644               | \$5,293               | \$251,247                               | \$4,779,184                             |
| <i>Total Assets</i>                        | <u><u>\$4,522,644</u></u> | <u><u>\$5,293</u></u> | <u><u>\$251,247</u></u>                 | <u><u>\$4,779,184</u></u>               |
| <b>Fund Balances</b>                       |                           |                       |   |   |
| Restricted                                 |                           | \$5,293               | \$251,247                               | \$256,540                               |
| Assigned                                   | \$48,627                  |                       |   | 48,627                                  |
| Unassigned                                 | 4,474,017                 |                       |   | 4,474,017                               |
| <i>Total Fund Balances</i>                 | <u><u>\$4,522,644</u></u> | <u><u>\$5,293</u></u> | <u><u>\$251,247</u></u>                 | <u><u>\$4,779,184</u></u>               |

See accompanying notes to the basic financial statements

**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2013*

|   | General            | WIC<br>Funds    | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|-----------------|--------------------------------|--------------------------------|
| <b>Receipts</b>                               |                    |                 |                                |                                |
| Intergovernmental                             | \$2,755,639        | \$472,446       | \$421,012                      | \$3,649,097                    |
| Fines, Licenses and Permits                   | 293,627            |                 | 263,291                        | 556,918                        |
| Charges for Services                          | 613,401            |                 | 59,679                         | 673,080                        |
| Gifts and Contributions                       | 1,637              |                 |                                | 1,637                          |
| Miscellaneous                                 |                    | 105             |                                | 105                            |
| <b>Total Receipts</b>                         | <b>3,664,304</b>   | <b>472,551</b>  | <b>743,982</b>                 | <b>4,880,837</b>               |
| <b>Disbursements</b>                          |                    |                 |                                |                                |
| Current:                                      |                    |                 |                                |                                |
| Environmental Health                          |                    |                 |                                |                                |
| General Environmental Health                  | 163,549            |                 |                                | 163,549                        |
| Mosquito Control                              | 25,699             |                 |                                | 25,699                         |
| Plumbing                                      | 155,216            |                 |                                | 155,216                        |
| Solid Waste                                   | 5,576              |                 |                                | 5,576                          |
| Sewage  |                    |                 | 65,098                         | 65,098                         |
| Food Service                                  |                    |                 | 169,436                        | 169,436                        |
| RV Parks                                      |                    |                 | 12,604                         | 12,604                         |
| Camps/Mobile Home Parks                       |                    |                 | 10,386                         | 10,386                         |
| Water System                                  |                    |                 | 29,611                         | 29,611                         |
| Pools/Spas                                    |                    |                 | 15,971                         | 15,971                         |
| Community Health Services                     |                    |                 |                                |                                |
| Immunizations                                 | 294,611            |                 | 23,762                         | 318,373                        |
| Communicable Diseases                         | 89,893             |                 |                                | 89,893                         |
| Dental Sealant                                |                    |                 | 126,705                        | 126,705                        |
| General Medical Administration                | 206,543            |                 |                                | 206,543                        |
| Adult Care                                    | 75,820             |                 |                                | 75,820                         |
| BCMH  | 178,273            |                 |                                | 178,273                        |
| WIC   |                    | 519,258         |                                | 519,258                        |
| Other Community Health Services               | 542,727            |                 | 86,262                         | 628,989                        |
| Health Promotion and Planning                 |                    |                 |                                |                                |
| Health Promotion and Planning                 | 236,196            |                 | 71,366                         | 307,562                        |
| Public Health Infrastructure                  | 67,490             |                 | 186,270                        | 253,760                        |
| Vital Statistics                              | 196,562            |                 |                                | 196,562                        |
| Administration                                | 934,845            |                 |                                | 934,845                        |
| <b>Total Disbursements</b>                    | <b>3,173,000</b>   | <b>519,258</b>  | <b>797,471</b>                 | <b>4,489,729</b>               |
| Excess of Receipts Over (Under) Disbursements | 491,304            | (46,707)        | (53,489)                       | 391,108                        |
| <b>Other Financing Sources (Uses)</b>         |                    |                 |                                |                                |
| Transfers In                                  |                    |                 | 172,878                        | 172,878                        |
| Transfers Out                                 | (6,762)            |                 | (166,116)                      | (172,878)                      |
| Advances In                                   | 224,127            | 85,000          | 153,023                        | 462,150                        |
| Advances Out                                  | (238,089)          | (80,000)        | (144,061)                      | (462,150)                      |
| <b>Total Other Financing Sources (Uses)</b>   | <b>(20,724)</b>    | <b>5,000</b>    | <b>15,724</b>                  | <b>0</b>                       |
| <b>Net Change in Fund Balances</b>            | <b>470,580</b>     | <b>(41,707)</b> | <b>(37,765)</b>                | <b>391,108</b>                 |
| Fund Balances Beginning of Year               | 4,052,064          | 47,000          | 289,012                        | 4,388,076                      |
| Fund Balances End of Year                     | <u>\$4,522,644</u> | <u>\$5,293</u>  | <u>\$251,247</u>               | <u>\$4,779,184</u>             |

See accompanying notes to the basic financial statements

**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
*Statement of Receipts, Disbursements and Changes in Fund Balance*  
*Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Year Ended December 31, 2013*

|   | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
|   | Original           | Final              |                    |   |
| <b>Receipts</b>                               |                    |                    |                    |   |
| Intergovernmental                             | \$2,834,463        | \$2,834,463        | \$2,755,639        | (\$78,824)  |
| Fines, Licenses and Permits                   | 229,000            | 229,000            | 293,627            | 64,627  |
| Charges for Services                          | 630,095            | 630,095            | 613,401            | (16,694)  |
| Gifts and Contributions                       | 1,500              | 1,500              | 1,637              | 137   |
| <b>Total Receipts</b>                         | <b>3,695,058</b>   | <b>3,695,058</b>   | <b>3,664,304</b>   | <b>(30,754)</b>   |
| <b>Disbursements</b>                          |                    |                    |                    |   |
| Current:                                      |                    |                    |                    |   |
| Environmental Health                          |                    |                    |                    |   |
| General Environmental Health                  | 152,283            | 152,668            | 163,636            | (10,968)  |
| Mosquito Control                              | 30,673             | 30,746             | 25,956             | 4,790   |
| Plumbing                                      | 161,771            | 163,301            | 155,257            | 8,044   |
| Solid Waste                                   | 5,758              | 5,837              | 5,577              | 260   |
| Community Health Services                     |                    |                    |                    |   |
| Immunizations                                 | 340,476            | 329,572            | 294,773            | 34,799  |
| Communicable Diseases                         | 93,162             | 92,948             | 89,923             | 3,025   |
| General Medical Administration                | 220,384            | 229,109            | 207,615            | 21,494  |
| Adult Clinic                                  | 22,915             | 22,611             | 75,825             | (53,214)  |
| BCMh  | 189,923            | 178,272            | 178,624            | (352)   |
| Other Community Health Services               | 591,253            | 605,165            | 542,727            | 62,438  |
| Health Promotion and Planning                 |                    |                    |                    |   |
| Health Promotion and Planning                 | 253,525            | 253,360            | 236,239            | 17,121  |
| Public Health Infrastructure                  | 38,431             | 75,170             | 67,499             | 7,671   |
| Vital Statistics                              | 216,044            | 239,376            | 219,560            | 19,816  |
| Administration                                | 1,311,826          | 1,285,196          | 958,415            | 326,781   |
| <b>Total Disbursements</b>                    | <b>3,628,424</b>   | <b>3,663,331</b>   | <b>3,221,626</b>   | <b>441,705</b>  |
| Excess of Receipts Over (Under) Disbursements | 66,634             | 31,727             | 442,678            | 410,951   |
| <b>Other Financing Sources (Uses)</b>         |                    |                    |                    |   |
| Transfers Out                                 |                    | (6,762)            | (6,762)            | 0   |
| Advances In                                   |                    |                    | 224,127            | 224,127   |
| Advances Out                                  |                    |                    | (238,089)          | (238,089)   |
| <b>Total Other Financing Sources (Uses)</b>   | <b>0</b>           | <b>(6,762)</b>     | <b>(20,724)</b>    | <b>(13,962)</b>   |
| Net Change in Fund Balances                   | 66,634             | 24,965             | 421,954            | 396,989   |
| Prior Year Encumbrances Appropriated          | 43,489             | 43,489             | 43,489             | 0   |
| Fund Balances Beginning of Year               | 4,008,071          | 4,008,071          | 4,008,071          | 0   |
| Fund Balances End of Year                     | <b>\$4,118,194</b> | <b>\$4,076,525</b> | <b>\$4,473,514</b> | <b>\$396,989</b>  |

See accompanying notes to the basic financial statements

**Zanesville-Muskingum County General Health District  
Muskingum County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Women, Infants and Children Fund  
For the Year Ended December 31, 2013*

|   | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-----------------|-----------------|---|
|   | Original         | Final           |                 |   |
| <b>Receipts</b>                               |                  |                 |                 |   |
| Intergovernmental                             | \$515,794        | \$511,932       | \$472,446       | (\$39,486)  |
| Miscellaneous                                 |                  |                 | 105             | 105   |
| Total Receipts                                | <u>515,794</u>   | <u>511,932</u>  | <u>472,551</u>  | <u>(39,381)</u>   |
| <b>Disbursements</b>                          |                  |                 |                 |   |
| Current:                                      |                  |                 |                 |   |
| WIC   | <u>516,182</u>   | <u>529,708</u>  | <u>519,403</u>  | <u>10,305</u>   |
| Total Disbursements                           | <u>516,182</u>   | <u>529,708</u>  | <u>519,403</u>  | <u>10,305</u>   |
| Excess of Receipts Over (Under) Disbursements | <u>(388)</u>     | <u>(17,776)</u> | <u>(46,852)</u> | <u>(29,076)</u>   |
| <b>Other Financing Sources (Uses)</b>         |                  |                 |                 |   |
| Advances In                                   |                  |                 | 85,000          | 85,000  |
| Advances Out                                  |                  |                 | <u>(80,000)</u> | <u>(80,000)</u>   |
| Total Other Financing Sources (Uses)          | <u>0</u>         | <u>0</u>        | <u>5,000</u>    | <u>5,000</u>  |
| Net Change in Fund Balances                   | (388)            | (17,776)        | (41,852)        | (24,076)  |
| Prior Year Encumbrances Appropriated          | 388              | 388             | 388             | 0   |
| Fund Balances Beginning of Year               | <u>47,272</u>    | <u>47,272</u>   | <u>47,272</u>   | <u>0</u>  |
| Fund Balances End of Year                     | <u>\$47,272</u>  | <u>\$29,884</u> | <u>\$5,808</u>  | <u>(\$24,076)</u>                                       |

See accompanying notes to the basic financial statements

**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
*Statement of Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2012*

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|                         | <u>Agency</u>           |
|-------------------------|-------------------------|
| <b>Assets</b>           |                         |
| Cash with Fiscal Agents | <u>\$376,255</u>        |
| Total Assets            | <u><u>\$376,255</u></u> |
| <b>Net Position</b>     |                         |
| Restricted for:         |                         |
| Other Purposes          | \$302,518               |
| Unrestricted            | <u>73,737</u>           |
| Total Net Position      | <u><u>\$376,255</u></u> |

See accompanying notes to the basic financial statements

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Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

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**Note 1 – Reporting Entity**

The Zanesville-Muskingum County General Health District, Muskingum County (the Health District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Health District is directed by a seven-member Board and a Health Commissioner. Three Board members are appointed by Zanesville City Council, three are appointed by the District Advisory Council and one is appointed by the Licensing Council. The District Advisory Council is made up of the president of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district and chairman of the Board of Trustees of each Township. The Health District's services include dental sealant services, communicable disease investigations, immunization clinics, various inspections, public health nursing services, issuance of various licenses and permits, and other related services.

**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. Following are the more significant of the Health District's accounting policies.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

During the year, the Health District segregates transactions related to certain Health District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

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**Note 2 - Summary of Significant Accounting Policies (continued)**

Fund financial statements are designed to present financial information of the Health District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

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

**Governmental Funds**

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

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

The Women, Infant and Children (WIC) Grant Fund receives federal grant revenue to be used for the safeguard of low-income women with infants and children up to age 5 who are at nutrition risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care.

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds.

Trust funds are used to account for assets held by the Health District under a trust agreement for individuals, private organizations, or other governments and are not available to support the Health District's own programs. The Health District had no trust funds in 2013. Agency funds are purely custodial in nature and are used to account for assets held by the Health District. The Health District is acting in an agency capacity for the following entity:

Muskingum County Families & Children First Council Fund – The Zanesville-Muskingum County General Health District serves as the fiscal agent and administrative agent for the Muskingum County Families & Children First Council. The Council receives federal, state and local monies to assist eligible families by providing and promoting various types of public assistance.

The Muskingum County Families & Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37.

Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

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**Note 2 - Summary of Significant Accounting Policies (continued)**

**C. Basis of Accounting**

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

**D. Budgetary Process**

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

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

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

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

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

**E. Cash and Investments**

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be

Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

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**Note 2 - Summary of Significant Accounting Policies (continued)**

obtained from the County. The Muskingum County Treasurer's office is located in the Muskingum County Court House at 4<sup>th</sup> and Main Street, Zanesville, Ohio 43701. The phone number is (740) 455-7109.

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. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Receivables/Payables

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

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

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

M. Net Position

Net position is 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 position restricted for other purposes primarily include the services provided by grants.

Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

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**Note 2 - Summary of Significant Accounting Policies (continued)**

The Health 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.

**N. 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.

**O. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Health district is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Health, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the board of Health or a Health District official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Health District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

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**Note 2 - Summary of Significant Accounting Policies (continued)**

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**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 (Budget Basis) presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is (are) outstanding year end encumbrances treated as expenditures (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$48,627 for the General Fund and \$145 for the WIC Fund.

**Note 4 – Intergovernmental Funding**

The Health District receives receipts from levies authorized by the Board of County Commissioners as a special taxing authority under Ohio Revised Code Section 3709.29. A 1 mill levy will be collected through 2013 and a ½ mill levy will be collected through 2018. These levies generated \$1,998,093 during 2013. This amount is reported as Intergovernmental Receipts in the financial statements.

**Note 5 – Interfund Receivables/Payables**

Interfund balances at December 31, 2013, consisted of the following individual fund receivables and payables:

|                           |                 |
|---------------------------|-----------------|
| Due to General Fund from: |                 |
| Other Governmental        | \$60,000        |
| Total General Fund        | <u>\$60,000</u> |

The balance due to the General Fund includes loans made to provide working capital for operations or projects. All of these amounts are expected to be repaid within one year.

**Note 6 - Risk Management**

Risk Pool Membership

The Health District is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes risk of loss up to limits of the Health District's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Comprehensive property and general liability
- Vehicles; and
- Errors and omissions

Note 7 to the financial statements includes additional information on the Pool.

The Health District provides health and dental insurance to full-time employees through a limited risk health insurance program that is maintained by Muskingum County. Premiums are paid to a third party, Medical Benefits Mutual Life Insurance Company. The claims are processed and monitored by the County insurance administrator in conjunction with the third party administrator. The Health District also provides vision and life insurance to full-time employees through a private carrier.

Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

**Note 7 - Risk Pool Membership**

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

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

The Health District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), 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, 2012, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other accountants) conform to generally accept accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (the latest information available).

| <u>Casualty Coverage</u> | <u>2012</u>         | <u>2011</u>         |
|--------------------------|---------------------|---------------------|
| Assets                   | \$34,389,569        | \$33,362,404        |
| Liabilities              | <u>(14,208,353)</u> | <u>(14,187,273)</u> |
| Net Position             | <u>\$20,181,216</u> | <u>\$19,175,131</u> |

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Health Department's share of these unpaid claims collectible in future years is approximately \$29,000.

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

Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

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**Note 7 - Risk Pool Membership (continued)**

| Contributions to PEP |             |
|----------------------|-------------|
| <u>2013</u>          | <u>2012</u> |
| \$33,511             | \$39,722    |

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 8 - Defined Benefit Pension Plans**

Plan Description - The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 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 visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, 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 the year ended December 31, 2013, members in state and local classifications contributed 10 percent to cover payroll. The Health District's contribution rate for 2013 was 14 percent of covered payroll.

The Health District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2013, 2012, and 2011 were \$223,581, \$217,629 and \$214,322 respectively. The full amount has been contributed for 2013, 2012 and 2011.

**Note 9 - Postemployment Benefits**

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and Combined Pension Plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment



Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

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**Note 9 - Postemployment Benefits (continued)**

health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

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 Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2013, local government employers contributed 14 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. Effective January 1, 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan was lowered to 1 percent, as recommended by the OPERS Actuary.

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

The Health District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012 and 2011 were \$22,358, \$87,051, and \$85,729 respectively; 100 percent has been contributed for 2013, 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing on January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**Note 10 – Contingent Liabilities**

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

**Note 11 – Jointly Governed Organization**

The Muskingum County Families & Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is comprised of the following members: Director of the

Zanesville-Muskingum County General Health District  
Muskingum County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013

**Note 11 – Jointly Governed Organization (continued)**

Zanesville-Muskingum County General Health District, Superintendent of Zanesville City School District, Superintendent of Muskingum County Educational Service Center, Director of the ADAMH Board, Director of the Muskingum County Department of Job and Family Services, Director of the Muskingum County Children Services Board, a United Way representative, an Eastside Community Services representative, a Zanesville Civic League representative, a Behavioral Health representative, a county commissioner, representatives from the public sector, and a representative from a local hospital. Continued existence of the Council is not dependent on the Health District's financial participation, no equity interest exists, and no debt is outstanding.

**Note 12 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below for 2013:

| <b>Fund Balances</b>         | <b>General<br/>Fund</b>   | <b>WIC Fund</b>       | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>              |
|------------------------------|---------------------------|-----------------------|---|---------------------------|
| <b>Restricted for</b>        |                           |                       |   |                           |
| WIC                          |                           | \$5,148               |   | \$5,148                   |
| Food Service                 |                           |                       | \$8,077                                 | 8,077                     |
| RV Camp                      |                           |                       | 20,225                                  | 20,225                    |
| Public Health Infrastructure |                           |                       | 2,485                                   | 2,485                     |
| Dental Sealant               |                           |                       | 160,542                                 | 160,542                   |
| Other                        |                           |                       | 58,004                                  | 58,004                    |
| Encumbrances                 |                           | 145                   | 1,914                                   | 2,059                     |
| <i>Total Restricted</i>      | <u>\$0</u>                | <u>5,293</u>          | <u>251,247</u>                          | <u>256,540</u>            |
| <b>Assigned to</b>           |                           |                       |   |                           |
| Encumbrances                 | 48,627                    |                       |   | 48,627                    |
| <i>Total Assigned</i>        | <u>48,627</u>             | <u>0</u>              | <u>0</u>                                | <u>48,627</u>             |
| Unassigned (deficits)        | 4,474,017                 |                       |   | 4,474,017                 |
| <i>Total Fund Balances</i>   | <u><u>\$4,522,644</u></u> | <u><u>\$5,293</u></u> | <u><u>\$251,247</u></u>                 | <u><u>\$4,779,184</u></u> |

**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>FEDERAL GRANTOR</b><br><i>Pass-Through Grantor</i><br>Program Title                                   | Pass-Through<br>Entity<br>Number | Federal<br>CFDA<br>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 (WIC)                             | 06010011WA0414                   | 10.557                    | \$116,359               |
|  | 06010011WA0313                   |                           | <u>397,583</u>          |
| Total Special Supplemental Nutrition Program for Women, Infants and Children (WIC)                       |                                  |                           | <u>513,942</u>          |
| Total U.S. Department of Agriculture   |                                  |                           | 513,942                 |
| <b>U.S. DEPARTMENT OF EDUCATION</b>  |                                  |                           |                         |
| <i>Passed Through Ohio Department of Health</i>  |                                  |                           |                         |
| Special Education - Grants for Infants and Families (Help Me Grow)                                       | 06010011HG0413                   | 84.181                    | 63,411                  |
|  | 06010011HG0514                   |                           | <u>16,393</u>           |
| Total Grants for Infants and Families (Help Me Grow)   |                                  |                           | <u>79,804</u>           |
| Total U.S. Department of Education   |                                  |                           | 79,804                  |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>  |                                  |                           |                         |
| <i>Passed Through Ohio Department of Health</i>  |                                  |                           |                         |
| Public Health Emergency Preparedness   | 06010012PH0312                   | 93.069                    | 2,760                   |
|  | 06010012PH0413                   |                           | <u>62,884</u>           |
| Total Public Health Emergency Preparedness   |                                  |                           | <u>65,644</u>           |
| Hospital Preparedness Program (HPP) and Public Health Preparedness (PHEP) Aligned Cooperative Agreements | 06010012PH0514                   | 93.074                    | 42,237                  |
| Childhood Lead Poisoning Prevention Projects - State and Local   | 06010011HHD112                   | 93.197                    | 11,001                  |
| Grants to States to Support Oral Health Workforce Activities   | 06010011DS0613                   | 93.236                    | 17,885                  |
| Immunization Cooperative Agreements  | 06010012IM0312                   | 93.268                    | 685                     |
|  | 06010012IM0313                   |                           | <u>23,077</u>           |
| Total Immunization Cooperative Agreements  |                                  |                           | <u>23,762</u>           |
| Centers for Disease Control and Prevention - Investigation and Technical Assistance                      | 06010014TC0213                   | 93.283                    | 20,410                  |
|  | 06010014TO0314                   |                           | <u>39,955</u>           |
| Total Centers for Disease Control and Prevention - Investigation and Technical Assistance                |                                  |                           | <u>60,365</u>           |
| Maternal and Child Health Services Block Grant to the States   | 06010011MCO714                   | 93.994                    | 31,465                  |
|  | 06010011MC0613                   |                           | <u>37,545</u>           |
|  | 06010011MC0613                   |                           | <u>45,403</u>           |
| Total Maternal and Child Health Services Block Grant to the States                                       |                                  |                           | <u>114,413</u>          |
| Total U.S. Department of Health and Human Services   |                                  |                           | <u>335,307</u>          |
| <b>Total Federal Awards Expenditures</b>   |                                  |                           | <b><u>\$929,053</u></b> |

*The Notes to the Federal Awards Expenditures Schedule are an integral part of the Schedule.*

**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - SUBRECIPIENTS**

The Health District passes certain federal awards received from Ohio Department of Health to other governments or not-for-profit agencies (subrecipients). As Note A describes, the Health District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Health District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE C - COMMINGLED MONIES**

Certain Maternal and Child Health Services Block Grants to the States and Immunization Cooperative Agreement Grants from the Ohio Department of Health include both state and federal monies. The Schedule includes only those portions identified as federal monies on the award notices received from the State.



# Dave Yost • Auditor of State

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

Zanesville-Muskingum County General Health District  
Muskingum County  
205 North Seventh Street  
Zanesville, Ohio 43701

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Zanesville-Muskingum County General Health District, Muskingum County, Ohio (the Health District), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated June 2, 2014, wherein we noted the Health District uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Health District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Health District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Health District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Health 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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Health District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Health District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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  
Columbus, Ohio

June 2, 2014



# Dave Yost • Auditor of State

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

Zanesville-Muskingum County General Health District  
Muskingum County  
205 North Seventh Street  
Zanesville, Ohio 43701

To the Board of Health:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Zanesville-Muskingum County General Health District, Muskingum County, Ohio (the Health District's), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Health District's major federal program for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the Health District's major federal program.

### ***Management's Responsibility***

The Health District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the Health District's compliance for each of the Health District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for 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 us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Health District's major program. However, our audit does not provide a legal determination of the Health District's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.

***Report on Internal Control Over Compliance***

The Health District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Health District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Health 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's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 2, 2014



**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2013**

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

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

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT**

**MUSKINGUM 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 17, 2014**