



Dave Yost • Auditor of State



**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

District Board of Health  
Putnam County  
P.O. Box 330  
Ottawa, Ohio 45875-0330

To the Members of the Board:

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

We have audited the accompanying financial statements and related notes of the District Board of Health, Putnam County, Ohio (the District) as of and for the years ended December 31, 2014 and 2013.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements 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 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 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 opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the District Board of Health, Putnam County, Ohio as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-0(D) permits, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 District's internal control over financial reporting and compliance.



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

March 12, 2015

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Local Taxes	\$389,540		\$389,540
Intergovernmental	72,919	\$116,431	189,350
Immunizations	219,037		219,037
Fees and Permits	200	78,197	78,397
Licenses	34,036	4,952	38,988
Contractual services	25,657	3,213,982	3,239,639
Donations		97,547	97,547
Other receipts	41,931	88,963	130,894
	<u>783,320</u>	<u>3,600,072</u>	<u>4,383,392</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current Disbursements:			
Health:			
Salaries	370,940	1,406,058	1,776,998
Supplies	179,798	357,904	537,702
Remittances to State	17,475	11,221	28,696
Equipment	16,930	11,493	28,423
Contracts - Repair		26,782	26,782
Contracts - Services	72,909	725,560	798,469
Rentals		37,196	37,196
Travel	23,915	88,026	111,941
Utilities and rentals		13,022	13,022
Continuing Education/Dues/Licenses		23,182	23,182
Advertising and printing		70,959	70,959
Public employee's retirement	51,712	16,270	67,982
Fringes	104,215	423,050	527,265
Other	17,874	54,044	71,918
	<u>855,768</u>	<u>3,264,767</u>	<u>4,120,535</u>
<b>Total Cash Disbursements</b>			
<b>Excess of Receipts Over (Under) Disbursements</b>			
	<u>(72,448)</u>	<u>335,305</u>	<u>262,857</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		40,000	40,000
Advances-In	20,000	25,000	45,000
Transfers-Out		(40,000)	(40,000)
Advances-Out	(25,000)	(20,000)	(45,000)
	<u>(5,000)</u>	<u>5,000</u>	<u></u>
<b>Total Other Financing Receipts (Disbursements)</b>			
<b>Net Change in Fund Cash Balances</b>			
	<u>(77,448)</u>	<u>340,305</u>	<u>262,857</u>
<b>Fund Cash Balances, January 1</b>			
	<u>780,313</u>	<u>2,481,814</u>	<u>3,262,127</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		96,068	96,068
Committed		2,726,051	2,726,051
Unassigned	702,865		702,865
	<u>702,865</u>	<u>2,822,119</u>	<u>3,524,984</u>
<b>Fund Cash Balances, December 31</b>			

The notes to the financial statements are an integral part of this statement

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Local Taxes	\$382,941		\$382,941
Intergovernmental	106,844	\$116,114	222,958
Immunizations	147,528		147,528
Fees and Permits	100	85,403	85,503
Licenses	34,319	4,576	38,895
Contractual services	19,060	3,053,768	3,072,828
Donations		90,171	90,171
Other receipts	27,611	84,836	112,447
	<u>718,403</u>	<u>3,434,868</u>	<u>4,153,271</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current Disbursements:			
Health:			
Salaries	387,909	1,280,860	1,668,769
Supplies	89,152	280,007	369,159
Remittances to State	18,611	11,532	30,143
Equipment	2,300	13,372	15,672
Contracts - Repair		31,298	31,298
Contracts - Services	63,283	771,281	834,564
Rentals		35,713	35,713
Travel	26,674	80,918	107,592
Utilities and rentals		13,352	13,352
Continuing Education/Dues/Licenses		15,324	15,324
Advertising and printing		69,345	69,345
Public employee's retirement	53,299	15,500	68,799
Fringes	97,742	389,666	487,408
Other	21,828	44,122	65,950
	<u>760,798</u>	<u>3,052,290</u>	<u>3,813,088</u>
<b>Total Cash Disbursements</b>			
<b>Excess of Receipts Over (Under) Disbursements</b>			
	<u>(42,395)</u>	<u>382,578</u>	<u>340,183</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		50,000	50,000
Advances-In	10,000	15,000	25,000
Transfers-Out		(50,000)	(50,000)
Advances-Out	(15,000)	(10,000)	(25,000)
	<u>(5,000)</u>	<u>5,000</u>	<u></u>
<b>Total Other Financing Receipts (Disbursements)</b>			
<b>Net Change in Fund Cash Balances</b>			
	<u>(47,395)</u>	<u>387,578</u>	<u>340,183</u>
<b>Fund Cash Balances, January 1</b>			
	<u>827,708</u>	<u>2,094,236</u>	<u>2,921,944</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		94,994	94,994
Committed		2,386,820	2,386,820
Unassigned	780,313		780,313
	<u>780,313</u>	<u>\$2,481,814</u>	<u>\$3,262,127</u>
<b>Fund Cash Balances, December 31</b>			

The notes to the financial statements are an integral part of this statement



**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Putnam County, Ohio (the District), as a body corporate and politic. A five- member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

As required by the Ohio Revised Code, the Putnam County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

**D. Fund Accounting**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Home Health Care Fund - This fund receives fees for providing home nursing services to elderly and homebound persons.

Hospice Fund - This fund receives fees for providing home nursing services to elderly and homebound persons.

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires the District to budget each fund annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2014 and 2013 budgetary activity appears in Note 2.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *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.

**3. Committed**

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

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

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

**G. Property, Plant, and Equipment**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$768,933	\$803,320	\$34,387
Special Revenue	4,226,587	3,665,072	(561,515)
Total	\$4,995,520	\$4,468,392	(\$527,128)

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,007,024	\$880,768	\$126,256
Special Revenue	5,058,802	3,454,295	1,604,507
Total	\$6,065,826	\$4,335,063	\$1,730,763

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$779,490	\$728,403	(\$51,087)
Special Revenue	3,393,602	3,499,868	106,266
Total	\$4,173,092	\$4,228,271	\$55,179

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$843,449	\$775,798	\$67,651
Special Revenue	4,576,575	3,158,564	1,418,011
Total	\$5,420,024	\$3,934,362	\$1,485,662

**3. INTERGOVERNMENTAL FUNDING AND PROPERTY TAXES**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

The County Commissioners serve as a special taxing authority for a special levy outside the ten- mill limitation to provide the District with sufficient funds for health programs. The levy generated \$389,540 in 2014 and \$382,941 in 2013. The financial statements present these amounts as local taxes.

**4. RETIREMENT SYSTEM**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10%, of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2014.

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**5. RISK MANAGEMENT**

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

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

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2013, PEP retained \$350,000 for casualty claims and \$100,000 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 with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2012 and 2013 (the latest information available):

	<u><b>2012</b></u>	<u><b>2013</b></u>
Assets	\$34,389,569	\$34,411,883
Liabilities	<u>(14,208,353)</u>	<u>(12,760,194)</u>
Net Position	<u><b>\$20,181,216</b></u>	<u><b>\$21,651,689</b></u>

At December 31, 2012 and 2013, respectively, the liabilities above include approximately \$13.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$11.1 million of unpaid claims to be billed to approximately 475 member governments in the future, as of December 31, 2012 and 2013, 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 District share of these unpaid claims collectible in future years is approximately \$8,500.

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**5. RISK MANAGEMENT (Continued)**

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

<b><u>Contributions to PEP</u></b>	
<b><u>2014</u></b>	<b><u>2013</u></b>
\$12,134	\$11,437

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.

**6. FUND BALANCES**

Fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the 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 governmental fund types are presented below:

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

Fund Balances	Governmental Fund Types		
	General	Special Revenue	Total
<b><i>For the year ended December 31, 2014:</i></b>			
<b>Restricted for</b>			
Health Grants		\$8,425	\$8,425
Environmental Programs		87,643	87,643
<i>Total Restricted</i>		96,068	96,068
<b>Committed to</b>			
Hospice		1,827,924	1,827,924
Home Health		865,145	865,145
Community Health		32,982	32,982
<i>Total Committed</i>		2,726,051	2,726,051
Unassigned	\$702,865		702,865
<i>Total Fund Balances</i>	\$702,865	\$2,822,119	\$3,524,984
<b><i>For the year ended December 31, 2013</i></b>			
<b>Restricted for</b>			
Health Grants		\$19,354	\$19,354
Environmental Programs		75,640	75,640
<i>Total Restricted</i>		94,994	94,994
<b>Committed to</b>			
Hospice		1,527,827	1,527,827
Home Health		831,846	831,846
Community Health		27,147	27,147
<i>Total Committed</i>		2,386,820	2,386,820
Unassigned	\$780,313		780,313
<i>Total Fund Balances</i>	\$780,313	\$2,481,814	\$3,262,127

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# 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

District Board of Health  
Putnam County  
P.O. Box 330  
Ottawa, Ohio 45875-0330

To the Members of the Board:

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 District Board of Health, Putnam County, Ohio (the District) as of and for the years ended December 31, 2014 and 2013 and the related notes to the financial statements and have issued our report thereon dated March 12, 2015, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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

As part of our financial statement audit, we considered the 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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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 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. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the 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

March 12, 2015

**DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013**

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

**FINDING NUMBER 2014-001**

**Material Weakness**

**Monitoring of Financial Statements**

Accurate financial reporting is the responsibility of the Health Commissioner, and is essential to ensure the information provided to the readers of the financial statements accurately reflects the District's activity.

The 2013 financial statements contained an error in which intergovernmental revenues in the amount of \$40,964 were incorrectly classified as other receipts in the General Fund.

As a result of this error, the District's financial statements did not correctly reflect the financial activity of the District for the year. The financial statements have been adjusted to correct this error.

To ensure the District's financial statements and notes to the financial statements are complete and accurate, the Board of Health should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements to identify and correct errors and omissions.

**Officials' Response:**

We did not receive a response from Officials to this finding.

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# Dave Yost • Auditor of State

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH**

**PUTNAM 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  
MARCH 31, 2015**