



Dave Yost • Auditor of State

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

District Board of Health
Paulding County
800 East Perry Street
Paulding, Ohio 45879-9239

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, Paulding 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

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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.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are 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, Paulding 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 117-2-03(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 April 21, 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

April 21, 2015

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$201,610		\$201,610
Charges for Services	26,070	\$2,570	28,640
Fines, Licenses, and Permits	750	76,493	77,243
Intergovernmental	59,198	215,770	274,968
Immunizations	53,181		53,181
Tax Increment Financing	19,018		19,018
Other	13,194		13,194
<i>Total Cash Receipts</i>	<u>373,021</u>	<u>294,833</u>	<u>667,854</u>
Cash Disbursements			
Current:			
Salaries	127,548	205,304	332,852
Supplies	35,603	7,934	43,537
Remittances to State		3,180	3,180
Community Assistance - Capital Project		44,175	44,175
Contracts - Equipment	3,570		3,570
Contracts - Services		5,799	5,799
Levy Fees	6,950		6,950
Travel	4,590		4,590
Utilities and rentals		1,272	1,272
National Association of City and County Health	2,641	1,557	4,198
Mobile Home fees	120		120
Tax Increment fees	475		475
Rollback Fees	290		290
Public employee's retirement	18,042	21,529	39,571
Worker's compensation	1,305		1,305
Debt payments	36,653		36,653
Other	63,151	9,070	72,221
<i>Total Cash Disbursements</i>	<u>300,938</u>	<u>299,820</u>	<u>600,758</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>72,083</u>	<u>(4,987)</u>	<u>67,096</u>
Other Financing Receipts (Disbursements)			
Advances In		14,040	14,040
Advances Out	(14,040)		(14,040)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(14,040)</u>	<u>14,040</u>	
<i>Net Change in Fund Cash Balances</i>	58,043	9,053	67,096
<i>Fund Cash Balances, January 1</i>	<u>76,479</u>	<u>58,683</u>	<u>135,162</u>
Fund Cash Balances, December 31			
Restricted		67,736	67,736
Unassigned	134,522		134,522
<i>Fund Cash Balances, December 31</i>	<u>\$134,522</u>	<u>\$67,736</u>	<u>\$202,258</u>

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

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$188,795		\$188,795
Charges for Services	18,794	\$7,388	26,182
Fines, Licenses, and Permits	3,750	75,430	79,180
Intergovernmental	64,635	236,135	300,770
Immunizations	46,570		46,570
Tax Increment Financing	9,929		9,929
Other	12,293	1,000	13,293
<i>Total Cash Receipts</i>	<u>344,766</u>	<u>319,953</u>	<u>664,719</u>
Cash Disbursements			
Current:			
Salaries	139,283	186,327	325,610
Supplies	21,251	5,512	26,763
Remittances to State		3,090	3,090
Community Assistance - Capital Project		67,770	67,770
Contracts - Equipment	3,823		3,823
Contracts - Services		5,106	5,106
Levy Fees	7,253		7,253
Travel	5,853	2,000	7,853
Utilities and rentals		1,276	1,276
National Association of City and County Health	5,341		5,341
Mobile Home fees	138		138
Tax Increment fees	248		248
Rollback Fees	273		273
Public employee's retirement	20,575	26,160	46,735
Worker's compensation	3,139		3,139
Debt payments	36,653		36,653
Other	84,915	8,760	93,675
Space Allocation	1,000		1,000
<i>Total Cash Disbursements</i>	<u>329,745</u>	<u>306,001</u>	<u>635,746</u>
<i>Net Change in Fund Cash Balances</i>	15,021	13,952	28,973
<i>Fund Cash Balances, January 1</i>	<u>61,458</u>	<u>44,731</u>	<u>106,189</u>
Fund Cash Balances, December 31			
Restricted		58,683	58,683
Unassigned	76,479		76,479
<i>Fund Cash Balances, December 31</i>	<u>\$76,479</u>	<u>\$58,683</u>	<u>\$135,162</u>

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

**DISTRICT BOARD OF HEALTH
PAULDING 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, Paulding 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 recording of vital statistics, inspection of food service facilities, water wells, sewers, campgrounds, trailer parks, swimming pools, and also services including communicable disease investigations, immunization clinics, and acting upon various complaints made to the District concerning the health and welfare of the County.

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 Paulding 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:

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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

Women, Infants, and Children (WIC) Fund - This is a Federal grant fund which accounts for the Special Supplemental Nutrition Program.

Public Health Emergency Preparedness Grant Fund (PHEPG) - This is a Federal grant used for the control of communicable diseases, chronic diseases and disorders, and other preventable health conditions.

Water Pollution Control Loan Fund (WPCLF) - This is a Federal grant used for the Repair and Replacement of Failed Household Sewage Treatment Systems for people that meet eligibility requirements that need assistance.

Special Health Fund - This is money collected from the sale of food service licenses.

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. 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

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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

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.

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:

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$367,546	\$373,021	\$5,475
Special Revenue	243,517	294,833	51,316
Total	<u>\$611,063</u>	<u>\$667,854</u>	<u>\$56,791</u>

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$331,779	\$300,938	\$30,841
Special Revenue	300,025	299,820	205
Total	<u>\$631,804</u>	<u>\$600,758</u>	<u>\$31,046</u>

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$346,526	\$344,766	(\$1,760)
Special Revenue	304,117	319,953	15,836
Total	<u>\$650,643</u>	<u>\$664,719</u>	<u>\$14,076</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$334,617	\$329,745	\$4,872
Special Revenue	308,405	306,001	2,404
Total	<u>\$643,022</u>	<u>\$635,746</u>	<u>\$7,276</u>

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 \$188,795 in 2013 and \$201,610 in 2014. The financial statements present these amounts as local taxes.

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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

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.

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

At December 31, 2012 and 2013, respectively, the liabilities above include approximately \$13.1

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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

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 \$1.000.

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.

<u>Contributions to PEP</u>	
<u>2013</u>	<u>2012</u>
\$2,037	\$484

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. Debt

Debt outstanding at December 31, 2014, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Antwerp Exchange Bank	\$24,498	4.11%

The District obtained a ten-year loan to finance the purchase of a health department facility and to pay for repairs and improvements on the building. The original amount of the loan was \$300,000, and the loan will mature in 2015. This loan is repaid from the General Fund.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	<u>Bank Loan</u>
2015	\$25,505

7. Prior Period Restatement of Fund Balances

The beginning balances for the General Fund and the Water Pollution Control Loan Fund (WPCLF), which is included in the Special Revenue Funds, have been restated to more accurately report fund balances as previously stated, due to an accounting correction from a prior period:

**DISTRICT BOARD OF HEALTH
PAULDING COUNTY**

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

	General Fund	Special Revenue Fund
Fund Balance at December 31, 2012	\$62,843	\$43,346
Restatement of fund balances due to correction	<u>(1,385)</u>	<u>1,385</u>
Beginning Fund Balance Restated	<u>\$61,458</u>	<u>\$44,731</u>

8. Interfund Advances

During 2014, the District advanced \$5,000 and \$9,040 from the General Fund to the Women, Infants, and Children (WIC) Fund and the Public Health Emergency Preparedness Grant (PHEPG) Fund, respectively.

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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
Paulding County
800 East Perry Street
Paulding, Ohio 45879-9239

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, Paulding 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 April 21, 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.

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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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

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.



Dave Yost
Auditor of State

Columbus, Ohio

April 21, 2015

**DISTRICT BOARD OF HEALTH
PAULDING 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

Noncompliance Citation/Material Weakness

Ohio Rev. Code § 5705.10 requires all revenue derived from a specific source to be credited to a special fund for the purpose for which the monies were received. Furthermore, the aforementioned section requires all revenue derived from a source other than general property tax which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose. This section also provides that money paid into any fund shall be used only for the purposes for which such fund is established.

The Clerk posted Ohio Water Development Authority (OWDA) community assistance monies during 2014 and 2013 in the amounts of \$41,405 and \$58,997 respectively, to the General Fund when it should have been posted to a separate OWDA Special Revenue fund.

The Officials were unaware that the money should be reported in a separate fund since the Ohio Water Development Authority agreement did not specifically call for the establishment of a separate fund for the proceeds. Adjustments were made to the accompanying financial statements to correctly report this activity.

We recommend the Clerk follow Ohio Revised Code and segregate the OWDA monies to a separate fund. In addition, to ensure the District's financial statements are complete and accurate, the Board of Health should adopt policies and procedures, including a final review of the financial statements to identify and correct errors or omissions.

Officials' Response:

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

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Dave Yost • Auditor of State

PAULDING COUNTY DISTRICT BOARD OF HEALTH

PAULDING 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
MAY 7, 2015**