



# Balestra, Harr & Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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VINTON COUNTY DISTRICT BOARD OF HEALTH  
VINTON COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2014 and 2013  
Fiscal Years Audited Under GAGAS: 2014 and 2013





# Dave Yost • Auditor of State

Board of Health  
Vinton County Board of Health  
31927 State Route 93  
McArthur, Ohio 45651

We have reviewed the *Independent Auditor's Report* of the Vinton County Board of Health, Vinton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Vinton County Board of Health is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 19, 2015

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**Vinton County District Board of Health**  
**Vinton County, Ohio**  
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*For the Fiscal Years Ended December 31, 2014 and 2013*

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# Balestra, Harr & Scherer, CPAs, Inc.

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## Independent Auditor's Report

Vinton County District Board of Health  
Vinton County  
31927 State Route 93  
McArthur, Ohio 45651

To the Board:

### Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Vinton County District Board of Health, Vinton County, (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 of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D); 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 (GAAP), to satisfy 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 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 Vinton County District Board of Health, Vinton County, 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 June 12, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe 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.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
June 12, 2015

**Vinton County District Board of Health**  
**Vinton County**  
*Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2014*

	<u>Governmental Fund Types</u>		<b>Totals</b> <b>(Memorandum</b> <b>Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts</b>			
Intergovernmental	\$ 179,061	\$ 246,993	\$ 426,054
Licenses, Permits, and Fees	60,810	1,247,720	1,308,530
Charges for Services	100,000	368,588	468,588
Miscellaneous	82,793	2,027	84,820
<i>Total Cash Receipts</i>	<u>422,664</u>	<u>1,865,328</u>	<u>2,287,992</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	189,264	1,108,287	1,297,551
Fringe Benefits	98,719	314,156	412,875
Supplies	12,996	32,970	45,966
Remittances to State	-	1,945	1,945
Contracts - Services	10,503	325,600	336,103
Travel	3,025	100,944	103,969
Equipment	-	7,708	7,708
Other	63,578	72,737	136,315
<i>Total Cash Disbursements</i>	<u>378,085</u>	<u>1,964,347</u>	<u>2,342,432</u>
<i>Excess of Cash Receipts Over /(Under) Cash Disbursements</i>	<u>44,579</u>	<u>(99,019)</u>	<u>(54,440)</u>
<b>Other Financing Receipts/(Disbursements)</b>			
Transfers In	-	23,170	23,170
Transfers Out	(23,170)	-	(23,170)
Advances In	3,696	3,275	6,971
Advances Out	(3,275)	(3,696)	(6,971)
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>(22,749)</u>	<u>22,749</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	21,830	(76,270)	(54,440)
<i>Fund Cash Balances, January 1</i>	<u>26,292</u>	<u>1,259,644</u>	<u>1,285,936</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	1,183,374	1,183,374
Unassigned	48,122	-	48,122
<i>Fund Cash Balances, December 31</i>	<u>\$ 48,122</u>	<u>\$ 1,183,374</u>	<u>\$ 1,231,496</u>

See accompanying notes to the financial statements.

**Vinton County District Board of Health**  
**Vinton County**  
*Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2013*

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts</b>			
Intergovernmental	\$ 162,602	\$ 235,424	\$ 398,026
Licenses, Permits, and Fees	73,479	1,471,869	1,545,348
Charges for Services	169,342	372,104	541,446
Miscellaneous	22,766	370	23,136
<i>Total Cash Receipts</i>	<u>428,189</u>	<u>2,079,767</u>	<u>2,507,956</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	186,233	1,104,828	1,291,061
Fringe Benefits	97,679	270,248	367,927
Supplies	21,797	25,235	47,032
Remittances to State	-	4,427	4,427
Contracts - Services	10,266	404,368	414,634
Travel	3,335	104,951	108,286
Other	64,895	116,753	181,648
<i>Total Cash Disbursements</i>	<u>384,205</u>	<u>2,030,810</u>	<u>2,415,015</u>
<i>Excess of Cash Receipts Over /(Under) Cash Disbursements</i>	<u>43,984</u>	<u>48,957</u>	<u>92,941</u>
<b>Other Financing Receipts/(Disbursements)</b>			
Transfers In	-	27,384	27,384
Transfers Out	(27,384)	-	(27,384)
Advances In	11,270	3,696	14,966
Advances Out	(3,696)	(11,270)	(14,966)
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>(19,810)</u>	<u>19,810</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	24,174	68,767	92,941
<i>Fund Cash Balances, January 1</i>	<u>2,118</u>	<u>1,190,877</u>	<u>1,192,995</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	1,259,644	1,259,644
Unassigned	26,292	-	26,292
<i>Fund Cash Balances, December 31</i>	<u>\$ 26,292</u>	<u>\$ 1,259,644</u>	<u>\$ 1,285,936</u>

See accompanying notes to the financial statements.

**VINTON COUNTY DISTRICT BOARD OF HEALTH  
VINTON 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 Vinton County District Board of Health, Vinton County, (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 and environmental licenses and permits. The Vinton County Auditor serves as fiscal agent for the District and is responsible for fiscal control of the resources.

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 Vinton 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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Public Home Nursing Services (PHNF) Fund - This fund receives fees for providing home nursing services to elderly and homebound persons.

Passport Fund - This fund receives State and Federal grant money to provide home health care for Medicaid eligible persons through referrals from the Area Agency on Aging.

**VINTON COUNTY DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

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

**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. 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 canceled, and reappropriated in the subsequent year.

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

**F. 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.

**G. 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.

**H. 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.

**VINTON COUNTY DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

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

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

**H. Fund Balance (continued)**

**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.

**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 Fund	\$ 401,251	\$ 422,664	\$ 21,413
Special Revenue	888,703	1,888,498	\$ 999,795
Total	\$ 1,289,954	\$ 2,311,162	\$ 1,021,208

**VINTON COUNTY DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

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

**2. BUDGETARY ACTIVITY (Continued)**

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$ 401,255	\$ 401,255	\$ -
Special Revenue	2,148,346	1,964,347	\$ 183,999
Total	\$ 2,549,601	\$ 2,365,602	\$ 183,999

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$ 409,780	\$ 428,189	\$ 18,409
Special Revenue	925,080	2,107,151	\$ 1,182,071
Total	\$ 1,334,860	\$ 2,535,340	\$ 1,200,480

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$ 411,589	\$ 411,589	\$ -
Special Revenue	2,097,187	2,030,810	\$ 66,377
Total	\$ 2,508,776	\$ 2,442,399	\$ 66,377

**3. INTERGOVERNMENTAL FUNDING**

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 \$171,475 and \$157,550 in 2014 and 2013, respectively. The financial statements present these amounts as intergovernmental receipts.

**4. RETIREMENT SYSTEMS**

The District's full-time 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.

**VINTON COUNTY DISTRICT BOARD OF HEALTH  
VINTON COUNTY**

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

**5. RISK MANAGEMENT**

The Vinton County Commissioners maintain comprehensive insurance coverage with the Buckeye Joint-County Self-Insurance Council, a joint self-insurance pool which obtains private carrier insurance agreements for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The District is covered by these policies.

**6. TRANSFERS**

During 2014, the General Fund made transfers in the amount of \$23,170 to other governmental funds to subsidize activities in those funds. Additionally, during 2014, the General fund made an advance in the amount of \$3,275 to the WIC Fund to fund activities while awaiting grant funding, and the WIC fund and the Tire Amnesty Grant fund repaid advances to the General Fund in the amounts of \$407 and \$3,289, respectively.

During 2013, the General Fund made transfers in the amount of \$27,384 to other governmental funds to subsidize activities in those funds. Additionally, during 2013, the General fund made advances in the amounts of \$407 and \$3,289 to the WIC fund and the Tire Amnesty Grant fund, respectively, to fund activities while awaiting grant funding, and the WIC fund repaid an advance to the General Fund in the amount of \$11,270.

**7. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor 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.



# Balestra, Harr & Scherer, CPAs, Inc.

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## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Vinton County District Board of Health  
Vinton County  
31927 State Route 93  
McArthur, Ohio 45651

To the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Vinton County District Board of Health, Vinton County, (the Board) 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 June 12, 2015, wherein we noted the Board followed accounting financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D).

### Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board'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 Board'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 Board'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 Board'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 testing and compliance testing and our testing results, and does not opine on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
June 12, 2015

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# Dave Yost • Auditor of State

VINTON COUNTY DISTRICT BOARD OF HEALTH

VINTON 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  
SEPTEMBER 1, 2015