



Dave Yost • Auditor of State

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Sandusky County District Board of Health
Sandusky County
2000 Countryside Drive
Fremont, Ohio 43420-8560

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sandusky County District Board of Health, Sandusky County, Ohio (the District), as of and for the year ended December 31, 2015, 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 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 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 Sandusky County District Board of Health, Sandusky County, Ohio, as of December 31, 2015, and the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Clinic, WIC and Community Health Assessment funds thereof for the year then ended in accordance with the accounting basis described in Note 2 .

Accounting Basis

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

Other Matters

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this 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, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

We applied no procedures to Management's Discussion and Analysis as listed in the table of contents. Accordingly, 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 August 22, 2016, 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

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

August 22, 2016

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**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

The discussion and analysis of the Sandusky County District Board of Health's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

1. The Public Health Clinic funds reflect increases due to the growth of the immunization fund and additional contracts with private insurance providers.
2. The Wellness funds increased due to additional funds received from Mental Health and Recovery Services Board (MHR SB) for gambling prevention and Parents for Success Mentoring programs.
3. Mid-year, the MHR SB offered the health department funding from the mental health levy for Capacity Services (providing staff support and educational training for coalition members) and Prevention Strategies (providing materials and financial programming support) in the education of substance abuse prevention.
4. During the last quarter of 2015 the Ohio Department of Health (ODH) became the recipient of replacement residential septic treatment systems funds for income eligible residents. This program was previously held by the Sandusky County Commissioners, due to the transition to ODH, the funds became available to SCHD. The Wyandot, Sandusky, Ottawa, and Seneca County (WSOS) program is providing, through contractual agreement, the application, approval and actual replacement contracting with SCHD providing fiscal and oversight services.
5. Homemaker services were discontinued effective August 31, 2015 due to financial issues, lack of referrals, and the closure of the Home Health Nursing program.

Using the Basic Financial Statements

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 as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, there are four major governmental funds. The general fund is the largest major fund.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED
(Continued)**

Basis of Accounting

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

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities answer the question, "How did we do financially during 2015?" within the limitations of cash basis accounting. The Statement of Net Position presents the cash balances of the governmental type activities at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the programs goods or services and grants restricted to meeting the operational requirements of a particular program. General revenues are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These two statements report the District's cash position and changes in cash position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

In the Statement of Net Position and the Statement of Activities, the District is one type of activity.

Governmental Activities – All of the District's programs and services are reported here including health and general government. These services are funded primarily by property taxes, charges for services and intergovernmental revenue including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, Public Health Clinic Fund, WIC Fund, and Community Health Assessment Fund.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED
(Continued)**

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable sources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions.

The District maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The table below provides a summary of the District's net position for 2015 and 2014:

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 980,484	\$ 1,086,961
Net Position		
Restricted for:		
Environmental Health	\$ 553,255	\$ 670,164
Unrestricted	427,229	416,797
Total Net Position	<u>\$ 980,484</u>	<u>\$ 1,086,961</u>

Over time, net position can serve as a useful indicator of a government's financial position. The District's finances remained strong during 2015 and 2014 despite the decline in the economy.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED
(Continued)**

Program Receipts:		
Charges for Services	\$ 895,095	\$ 1,129,076
Operating Grants and Contributions	1,058,198	894,416
Total Program Receipts	<u>1,953,293</u>	<u>2,023,492</u>
General Receipts:		
Property Taxes Levied for General Purposes	487,521	485,701
Grants and Entitlements not Restricted to Specific Programs	175,933	441,122
Miscellaneous	17,186	50,911
Total General Receipts	<u>680,640</u>	<u>977,734</u>
Total Receipts	<u>2,633,933</u>	<u>3,001,226</u>
Disbursements:		
Health	<u>2,740,410</u>	<u>3,264,665</u>
Change in Net Position	(106,477)	(263,439)
Net Position, January 1	1,086,961	1,350,400
Net Position, December 31	<u>\$ 980,484</u>	<u>\$ 1,086,961</u>

Governmental Activities

Net position of the District's governmental activities decreased \$106,477. Total governmental expenditures of \$2,740,410 were offset by program revenues of \$1,953,293 and general revenue of \$680,640. Program revenues supported 71% of the total governmental expenses.

The primary source of revenue for governmental activities is derived from operating grants and contributions. These revenue sources represent 40% of total governmental revenue.

Health services expenses totaled \$2,740,410 or 100% of total government expenses for 2015.

The Statement of Activities shows the cost of program services and operating grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by contributions and unrestricted State grants and entitlements.

	Governmental Activities			
	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Program expenses:				
Health	<u>\$ 2,740,410</u>	<u>\$ 787,117</u>	<u>\$ 3,264,665</u>	<u>\$ 1,241,173</u>

The District's Funds

The District's governmental funds reported a combined fund balance of \$980,484 which is \$106,477 less than last years' total of \$1,086,961. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2015 and 2014.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED
(Continued)**

Fund Balance, December 31

	2015	2014	Increase/ (Decrease)	Percentage Change
General	\$195,181	\$281,716	\$(86,535)	(30.7)%
Public Health Clinic	99,831	62,412	37,419	60.0%
WIC	14,430	35,763	(21,333)	(59.7)%
Community Health Assessment	130,216	72,668	57,548	79.2%
Other Governmental	540,826	634,402	(93,576)	(14.8)%
Total Fund Balance	\$980,484	\$1,086,961	\$(106,477)	(9.8)%

The greatest change within governmental funds occurred within the other governmental funds. The fund balances of the other governmental funds decreased \$93,575 for 2015, mainly due to the closure of the home health nursing program. The fund balance of the General Fund decreased \$86,535 for 2015.

Budget Highlights

The District's budget is prepared in accordance to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2015, the District amended its special revenue funds several times to reflect changing circumstances.

For the General Fund, final receipts and other financing sources were budgeted at \$842,400 while actual receipts and other financing sources were \$857,571. The District received more revenues than were expected in the Intergovernmental line item

For the General Fund, final disbursements and other financing uses were budgeted at \$988,900 while actual disbursements and other financing uses were \$937,734. The District expended less money than they had originally anticipated.

Capital Assets

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Current Issues

The challenge for the District is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely on operating grants and are diligent in searching for new funding sources in order to allow our programs to continue. Charges for services and contract rates are analyzed to ensure to administer and carry out programs are covered.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED
(Continued)**

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the district's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Bethany Brown, Health Commissioner, 2000 Countryside Drive, Fremont, OH 43420-8560.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2015**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 980,484
Net Position:	
Restricted for:	
Environmental health	\$ 553,255
Unrestricted	427,229
Total Net Position	<u><u>\$ 980,484</u></u>

See accompanying notes to the basic financial statements

SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
Health	\$ 2,740,410	\$ 895,095	\$ 1,058,198	\$ (787,117)
General Receipts:				
Property Taxes Levied and Other Local Taxes				487,521
Levied for General Health District Purposes				175,933
Grants and Entitlements not Restricted to Specific Programs				17,186
Miscellaneous				17,186
Total General Receipts				680,640
Change in Net Position				(106,477)
Net Position Beginning of Year				1,086,961
Net Position End of Year				\$ 980,484

See accompanying notes to the basic financial statements

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	<u>General</u>	<u>Public Health Clinic</u>	<u>WIC</u>	<u>Community Health Assessment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 195,181	\$ 99,831	\$ 14,430	\$ 130,216	\$ 540,826	\$ 980,484
Fund Balances:						
Restricted:						
Nursing					\$ 36,831	\$ 36,831
Trailer Park					58,817	58,817
Food Service					7,976	7,976
Water Systems					14,439	14,439
Swimming Pool					19,948	19,948
Family Planning					36,474	36,474
CFHS					12,389	12,389
WIC			\$ 14,430			14,430
Wellness					17,176	17,176
Public Health Emergency Preparedness					12,117	12,117
SPF-SIG					274	274
Prevention Partnership					10,688	10,688
Drug Free Communities					7,888	7,888
Sewage Treatment Service					38,574	38,574
Smoke Free Workplace					5,802	5,802
Help Me Grow					90,649	90,649
Environmental and Public Health					32,210	32,210
Immunization Action Plan					10,949	10,949
Solid Waste					86,241	86,241
Creating Healthy Communities					35,305	35,305
MHL Capacity Service					2,483	2,483
MHL Prevention Strategies					1,596	1,596
Committed:						
Public Health Clinic		\$ 99,831				99,831
Community Health Assessment				\$ 130,216		130,216
Ohio Water Pollution Control Loan					2,000	2,000
Assigned:						
Homemakers	\$ 517					517
Subsequent Year Appropriations	194,664					194,664
Total Fund Balances	<u>\$ 195,181</u>	<u>\$ 99,831</u>	<u>\$ 14,430</u>	<u>\$ 130,216</u>	<u>\$ 540,826</u>	<u>\$ 980,484</u>

See accompanying notes to the basic financial statements

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Public Health Clinic	WIC	Community Health Assessment	Other Governmental Funds	Total Governmental Funds
Cash Receipts:						
Property Taxes	\$ 487,521					\$ 487,521
Charges for Services	117,683	\$ 316,400		\$ 55,000	\$ 406,012	895,095
Intergovernmental	175,933	178,647	\$ 299,509	500	579,542	1,234,131
Miscellaneous	14,236	772			2,178	17,186
Total Cash Receipts	<u>795,373</u>	<u>495,819</u>	<u>299,509</u>	<u>55,500</u>	<u>987,732</u>	<u>2,633,933</u>
Cash Disbursements:						
Current:						
Health	746,307	498,400	305,442	12,952	1,177,309	2,740,410
Excess of Receipts Over (Under) Disbursements	49,066	(2,581)	(5,933)	42,548	(189,577)	(106,477)
Other Financing Sources (Uses):						
Transfers In	4,041			15,000	1,042	20,083
Transfers Out	(16,042)				(4,041)	(20,083)
Advances In	76,900	40,000	25,000		135,500	277,400
Advances Out	(200,500)		(40,400)		(36,500)	(277,400)
Total Other Financing Sources (Uses)	(135,601)	40,000	(15,400)	15,000	96,001	
Net Change in Fund Balances	(86,535)	37,419	(21,333)	57,548	(93,576)	(106,477)
Fund Balances Beginning of Year	281,716	62,412	35,763	72,668	634,402	1,086,961
Fund Balances End of Year	<u>\$ 195,181</u>	<u>\$ 99,831</u>	<u>\$ 14,430</u>	<u>\$ 130,216</u>	<u>\$ 540,826</u>	<u>\$ 980,484</u>

See accompanying notes to the basic financial statements

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property Taxes	\$ 501,000	\$ 501,000	\$ 487,521	\$ (13,479)
Charges for Services	111,300	111,300	112,191	891
Intergovernmental	147,100	147,100	175,933	28,833
Miscellaneous			985	985
Total Receipts	<u>759,400</u>	<u>759,400</u>	<u>776,630</u>	<u>17,230</u>
Disbursements:				
Current:				
Health	770,400	770,400	721,192	49,208
Excess of Receipts Over (Under) Disbursements	<u>(11,000)</u>	<u>(11,000)</u>	<u>55,438</u>	<u>66,438</u>
Other Financing Sources (Uses):				
Transfers In			4,041	4,041
Transfers Out		(25,000)	(16,042)	8,958
Advances In		83,000	76,900	(6,100)
Advances Out	(150,000)	(193,500)	(200,500)	(7,000)
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(135,500)</u>	<u>(135,601)</u>	<u>(101)</u>
Net Change in Fund Balance	(161,000)	(146,500)	(80,163)	66,337
Fund Balance Beginning of Year	253,765	253,765	253,765	
Prior Year Encumbrances Appropriated	15,007	15,007	15,007	
Fund Balance End of Year	<u>\$ 107,772</u>	<u>\$ 122,272</u>	<u>\$ 188,609</u>	<u>\$ 66,337</u>

See accompanying notes to the basic financial statements

SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH CLINIC FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
Charges for Services	\$ 260,000	\$ 260,000	\$ 316,400	\$ 56,400
Intergovernmental	172,000	172,000	178,647	6,647
Miscellaneous			772	772
Total Receipts	<u>432,000</u>	<u>432,000</u>	<u>495,819</u>	<u>63,819</u>
Disbursements:				
Current:				
Health	495,150	525,150	501,073	24,077
Excess of Receipts Over (Under) Disbursements	(63,150)	(93,150)	(5,254)	87,896
Other Financing Uses:				
Advances In		50,000	40,000	(10,000)
Net Change in Fund Balance	(63,150)	(43,150)	34,746	77,896
Fund Balance Beginning of Year	60,882	60,882	60,882	
Prior Year Encumbrances Appropriated	1,530	1,530	1,530	
Fund Balance End of Year	<u>\$ (738)</u>	<u>\$ 19,262</u>	<u>\$ 97,158</u>	<u>\$ 77,896</u>

See accompanying notes to the basic financial statements

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
WIC FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 325,000	\$ 325,000	\$ 299,509	\$ (25,491)
Disbursements:				
Current:				
Health	326,292	319,059	305,442	13,617
Excess of Receipts Over (Under) Disbursements	(1,292)	5,941	(5,933)	(11,874)
Other Financing Sources (Uses):				
Advances In			25,000	25,000
Advances Out	(40,400)	(40,400)	(40,400)	
Total Other Financing Sources (Uses)	(40,400)	(40,400)	(15,400)	25,000
Net Change in Fund Balance	(41,692)	(34,459)	(21,333)	13,126
Fund Balance Beginning of Year	35,540	35,540	35,540	
Prior Year Encumbrances Appropriated	223	223	223	
Fund Balance End of Year	<u>\$ (5,929)</u>	<u>\$ 1,304</u>	<u>\$ 14,430</u>	<u>\$ 13,126</u>

See accompanying notes to the basic financial statements

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
COMMUNITY HEALTH ASSESSMENT
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Charges for Services	\$ 50,000	\$ 55,500	\$ 55,000	\$500
Intergovernmental			500	(500)
Total Receipts	<u>50,000</u>	<u>55,500</u>	<u>55,500</u>	
Disbursements:				
Current:				
Health	<u>37,430</u>	<u>37,448</u>	<u>15,529</u>	<u>21,919</u>
Excess of Receipts Over (Under) Disbursements	<u>12,570</u>	<u>18,052</u>	<u>39,971</u>	<u>21,919</u>
Other Financing Sources:				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	
Net Change in Fund Balance	<u>27,570</u>	<u>33,052</u>	<u>54,971</u>	<u>21,919</u>
Fund Balance Beginning of Year	72,553	72,553	72,553	
Prior Year Encumbrances Appropriated	<u>115</u>	<u>115</u>	<u>115</u>	
Fund Balance End of Year	<u>\$ 100,238</u>	<u>\$ 105,720</u>	<u>\$ 127,639</u>	<u>\$ 21,919</u>

See accompanying notes to the basic financial statements

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 – REPORTING ENTITY

The Sandusky County District Board of Health, Sandusky County, Ohio, (the 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 District is directed by an eight-member Board with one member appointed by the City of Clyde, two members appointed by the City of Fremont, four members appointed by the District Advisory Council and one member appointed by the District Licensing Advisory Council. The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District's is responsible for the provisions of public health, the prevention or restriction of disease and the prevention, abatement and suppression of nuisances.

The Sandusky County Auditor acts as fiscal agent for the District and the Sandusky County Treasurer acts as custodian of all funds.

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

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. The District has no component units.

C. Risk Pools

The District participates in two public entity risk pools. These organizations are presented in Note 9 to the financial statements.

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 District's accounting policies.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

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

A. Basis of Presentation

The District's basic financial statements consist of a statement 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 District as a whole. These statements include the financial activities of the primary government. The statements show those activities of the District that are governmental. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net position presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Major funds are presented in a separate column. Non major funds are aggregated and presented in a single column.

B. Fund Accounting

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

Governmental Funds

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), charges for services, and other non-exchange transactions as governmental funds. The District's major governmental funds are the General Fund, WIC Fund, Public Health Clinic Fund, and the Community Health Assessment Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The WIC special revenue fund accounts for grants for the WIC program. The Public Health Clinic special revenue fund accounts for charges for services and intergovernmental revenues used to provide immunization clinics to citizens. The Community Health Assessment special revenue fund accounts for charges for services to support Health Partners via contract for and complete health assessments to Sandusky County population. The other government funds of the District account for grants and other resources whose use is restricted to a particular purpose.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

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

C. Basis of Accounting

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

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivables and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for exist or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate.

The appropriations resolution is the District's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established at the 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 certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the District.

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

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

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

E. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Sandusky County Treasurer, who acts as custodian for District monies. The District's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

Individual fund integrity is maintained through District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or 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 on the accompanying financial statements.

I. Interfund Receivables/Payables

The 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 District's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Note 10 and 11, the employer contribution include portions for pension benefits and for postretirement health care benefits.

L. 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 include resources restricted for grants for specific purposes.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

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

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the 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 classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact.

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

N. Interfund Transactions

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

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison schedule presented for the general fund and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary) rather than assigned, committed or restricted fund balance (cash) and certain funds included in the General fund as part of the GASB 54 requirements are not included in the budgetary statement.

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

	Fund Balances			
	General	Public Health Clinic	WIC Grant	Community Health Assessment
Cash basis	\$ 195,181	\$ 99,831	\$ 14,430	\$ 130,216
Adjustment for GASB 54	(517)			
Adjustment for encumbrances	(6,055)	(2,673)		(2,577)
Budgetary Basis	<u>\$ 188,609</u>	<u>\$ 97,158</u>	<u>\$ 14,430</u>	<u>\$ 127,639</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

The Sandusky County Treasurer maintains a cash pool used by all funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash on deposit with the County at December 31, 2015, was \$980,484. The Sandusky County Treasurer, as fiscal agent for the District, is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposited accounts.

NOTE 5 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property tax receipts received in 2015 represent the collection of 2014 taxes. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property taxes are assessed on real estate, land and improvements are assessed at 35% of appraised market value.

The assessed value upon which 2015 taxes were collected was \$1,093,652,150. The full rate for all County operations applied to real property for fiscal year ended December 31, 2015, was \$.50 per \$1,000 of assessed valuation. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

NOTE 5 – PROPERTY TAXES – (Continued)

<u>Real Property</u>			
Agricultural/Residential	\$	831,919,970	
Commercial/Industrial/Mineral		184,086,090	
 <u>Public Utility</u>			
Real		746,760	
Personal		76,899,330	
	<u>\$</u>	<u>1,093,652,150</u>	

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

NOTE 6 – INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District’s appropriations over other estimated receipts for the subdivision 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.

NOTE 7 – INTERFUND TRANSFERS

During 2015 the following transfers were made:

Transfers from the General Fund to:		
Community Health Assessment Fund	\$15,000	
Other Governmental Funds	1,042	
Transfers from Other Governmental Funds to:		
General Fund	\$4,041	

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfer to the General fund was for unexpended fund balance due to termination of activity for which the fund was created.

NOTE 8 – INTERFUND RECEIVABLES/PAYABLES

During 2015 the following advances were made:

Advances from the General Fund to:		
WIC Fund	\$ 25,000	
Public Health Clinic Fund	40,000	
Other Governmental Funds	135,500	
Total	<u>\$ 200,500</u>	

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

NOTE 8 – INTERFUND RECEIVABLES/PAYABLES – (Continued)

Advances to General Fund from:	
WIC Fund	\$ 40,400
Other Governmental Funds	36,500
Total	\$ 76,900

The following advances were made and had not been repaid at December 31, 2015:

Due to the General Fund from:	
WIC Fund	\$ 25,000
Public Health Clinic Fund	60,000
Other Governmental Funds	149,400
Total	\$ 234,400

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 9 – RISK MANAGEMENT

A. Risk Pool Membership

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).

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, 2015, 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, 2014 and 2015:

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

NOTE 9 – RISK MANAGEMENT – (Continued)

	<u>2015</u>	<u>2014</u>
Assets	38,307,677	35,402,177
Liabilities	<u>(12,759,127)</u>	<u>(12,363,257)</u>
Net Position	<u>\$25,548,550</u>	<u>\$23,038,920</u>

At December 31, 2014 and 2015, respectively, the liabilities above include approximately \$11.1 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.0 million of unpaid claims to be billed to approximately 499 member governments. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the District's share of these unpaid claims collectible in future years is approximately \$11,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the 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>2015</u>	<u>2014</u>
\$18,243	\$18,229

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

B. Insurance Purchasing Pool

For 2015, the County Commissioners participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), as insurance purchasing pool. The Plan is intended to achieve lower workers compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Participation in the Plan is limited to counties that can meet the Plan’s selection criteria. The firm of Comp Management, Inc. provides administrative, cost controls, and actuarial services to the Plan. Each year, the County Commissioners pays an enrollment fee to the Plan to cover the costs of administering the program.

The County Commissioners may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers’ Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

Ohio Public Employees Retirement System

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

NOTE 10 – DEFINED BENEFIT PENSION PLAN – (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	
2015 Statutory Maximum Contribution Rates		
Employer	14.0	%
Employee	10.0	%
2015 Actual Contribution Rates		
Employer:		
Pension	12.0	%
Post-employment Health Care Benefits	2.0	
Total Employer	14.0	%
Employee	10.0	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District’s contractually required contribution was \$185,423 for year 2015.

NOTE 11 – POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans. The Traditional Pension Plan – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

NOTE 11 – POSTEMPLOYMENT BENEFITS– (Continued)

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

To qualify for post-employment health care coverage, age-and–service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45. OPERS's eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 E. Towns St., Columbus, OH 43215-4642 or by calling (614) 222-5801 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employees to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 2.0 percent during calendar year 2015. The portion of employer contributions allocated to health care for members in the Combined Plan was 2.0 percent during calendar year 2015. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2015, 2014, and 2013 were \$92,711, \$147,676, and \$159,027, respectively. These obligations are paid on a cash basis with 100 percent contributed for the years 2015, 2014, and 2013.

NOTE 12 – CONTINGENT LIABILITIES

Amounts grantor agencies pay to the 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.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

NOTE 13 - OTHER COMMITMENTS

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

<u>Opinion Unit</u>	<u>Year-End Encumbrances</u>
General Fund	\$ 6,055
Community Health Assessments	2,577
Public Health Clinic	2,673
Other Governmental Funds	<u>40,543</u>
Total	<u>\$ 51,848</u>

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipient	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	72-1-001-1-WA-0916 72-1-001-1-WA-0815		\$56,025 248,898
Total U.S. Department of Agriculture				<u>304,923</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Health</i>				
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	72-1-001-2-PH-0716 72-1-001-2-PH-0615		34,544 46,210
				<u>80,754</u>
Maternal and Child Health Services Block Grant to the States	93.994	72-1-001-1-MC-0916 72-1-001-1-MC-0815		21,863 26,395
				<u>48,258</u>
Family Planning Services	93.217	72-1-001-1-RH-00516 72-1-001-1-RH-0415		114,315 38,821
				<u>153,136</u>
Drug Free Communities Support Program	93.276	5H79-SP013487-10		108,358
Immunization Cooperative Agreements	93.268	72-1-001-2-IM-0515	\$38,171	54,841
Preventive Health and Health Services Block Grant funded with Prevention and Public Health Funds	93.758	72-1-001-4CC-0316		72,775
Passed Through Mental Health and Recovery Services Board of Seneca, Sandusky and Wyandot Counties				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	CMMCO-P-14-033 CMMCO-P-15-033		12,682 17,763
				<u>30,445</u>
Total U.S. Department of Health and Human Services				<u>548,567</u>
Total Expenditures of Federal Awards				<u><u>\$853,490</u></u>

The accompanying notes are an integral part of this schedule.

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Sandusky County District Board of Health (the District's) under programs of the federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

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

As a subrecipient, the 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 D - MATCHING REQUIREMENTS

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

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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*

Sandusky County District Board of Health
Sandusky County
2000 Countryside Drive
Fremont, Ohio 43420-8560

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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sandusky County District Board of Health, Sandusky County, (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 22, 2016, wherein we noted the 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 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 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 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-001 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

August 22, 2016



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 THE UNIFORM GUIDANCE

Sandusky County District Board of Health
Sandusky County
2000 Countryside Drive
Fremont, Ohio 43420-8560

To the Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited the Sandusky County District Board of Health, Sandusky County, Ohio's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Sandusky County District Board of Health's major federal programs for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance 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 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 each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Sandusky County District Board of Health complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2015.

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

www.ohioauditor.gov

Report on Internal Control Over Compliance

The 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 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 the Uniform Guidance, 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 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 over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

August 22, 2016

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements – CFDA #93.074 Special Supplemental Nutrition Program for Women, Infants, And Children – CFDA #10.557
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

FINDING NUMBER 2015-001

Material Weakness

Financial Reporting

The District's management is responsible for the fair presentation of the financial statements. In addition, GASB Statement No. 54 requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources; and budgeted receipts reported in the financial statements should agree to the approved amounts. Errors were noted in the financial statements that resulted in audit adjustments such as the following:

- Unrestricted fund balance in the amount of \$251,296 on the Statement of Net Position was improperly accounted for as restricted;
- Charges for services receipts in the amount of \$135,777 within the Help Me Grow special revenue fund were incorrectly recorded as intergovernmental;
- Charges for services receipts in the amount of \$55,000 within the Community Health Assessment Fund were incorrectly recorded as intergovernmental.
- Budgeted Receipts in the General fund were understated by \$50,000 compared to the amounts on the Amended Certificate of Estimated Resources.
- Budgeted Receipts in the Public Health Fund were overstated by \$50,000 compared to the amounts on the Amended Certificate of Estimated Resources

Additional errors were noted in smaller relative amounts. These errors were a result of inadequate policies and procedures in reviewing the financial statements. The accompanying financial statements have been adjusted to correct these errors.

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

Officials' Response:

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

3. FINDINGS FOR FEDERAL AWARDS

None

**SANDUSKY COUNTY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2015**

Finding Number	Finding Summary	Status	Additional Information
2014-001	Material weakness in financial reporting due to errors in financial statements.	Not corrected.	Repeated in this report as finding 2015-001. This reporting requirement is completed by the fiscal agent, the Sandusky County Auditor, the situation recurred in this accounting cycle due to time constraints with the Auditor's office and the report being filed without review by the Health Department's Fiscal Officer. Upon closure of the accounting cycle, i.e calendar year end, the department's fiscal officer will prepare worksheets to assist the county auditor's office in preparation of these financial reports. The fiscal officer has and will continue to request the review of the annual report prior to the final submission in an effort to reduce the amount and size of necessary reclassifications.

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Dave Yost • Auditor of State

SANDUSKY COUNTY DISTRICT BOARD OF HEALTH

SANDUSKY 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 8, 2016**