GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2017

Dave Yost · Auditor of State

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Greene County Combined Health District
Greene County
360 Wilson Drive
Xenia, Ohio 45385

To the Board of Health:

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 Greene County Combined Health District, Greene County, Ohio (the Health District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Health District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Health District's internal control. Accordingly, we express no such 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 Greene County Combined Health District, Greene County, Ohio, as of

December 31, 2017, and the respective changes in cash financial position and the respective budgetary comparison for the General and Community Health Services 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2018, on our consideration of the Health District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

October 3, 2018

Greene County Combined Health District

Statement of Net Position - Cash Basis

December 31, 2017

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$8,979,198
Cash and Cash Equivalents in Segregated Accounts	3,590,914
Total Assets	12,570,112
Net Position	
Restricted for:	
Capital Projects	3,590,914
Health Services	1,133,475
Unrestricted	7,845,723
Total Net Position	$12,570,112

See accompanying notes to the basic financial statements

Greene County Combined Health District
Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	Cash Disbursements	Program Cash: Charges for Services and Sales	Program Cash: Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position: Governmental Activities
Governmental Activities				
Current:				
Health:				
Public Health Services	$5,631,944	$2,106,502	$1,655,067	($1,870,375)
Capital Outlay	2,884,651			(2,884,651)
Total Governmental Activities	8,516,595	2,106,502	1,655,067	(4,755,026)
General Receipts:				
Property Taxes Levied for General Purposes				2,776,885
Grants/Entitlements not Restricted to Specific Programs				459,668
Subdivision Fees				121,970
Proceeds from Sale of Bonds				6,000,000
Earnings on Investments				26,263
Sale of Capital Assets				2,520
Miscellaneous				179,844
Total General Receipts				9,567,150
Change in Net Position				4,812,124
Net Position Beginning of Year				7,757,988
Net Position End of Year				$12,570,112

See accompanying notes to the basic financial statements

Greene County Combined Health District
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2017

	General	Community Health Services	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$5,534,892	$313,500	$1,877,030	$1,253,776	$8,979,198
Cash and Cash Equivalents in Segregated Accounts			3,590,914		3,590,914
Total Assets	5,534,892	313,500	5,467,944	1,253,776	12,570,112
Fund Balances					
Restricted			3,590,914	1,133,475	4,724,389
Committed		313,500	1,877,030	120,301	2,310,831
Assigned	2,362				2,362
Unassigned	5,532,530				5,532,530
Total Fund Balances	$5,534,892	$313,500	$5,467,944	$1,253,776	$12,570,112

See accompanying notes to the basic financial statements

Greene County General Health District
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2017

	General	Community Health Services	Building Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property Taxes	$2,776,885				$2,776,885
Subdivision Fees	121,970				121,970
Fees, Licenses and Permits	775,680	135,797		1,195,025	2,106,502
Intergovernmental:					
Local Grants				30,000	30,000
Federal Grants	99,540	71,164		1,212,857	1,383,561
State Grants	431,668	23,648		245,857	701,173
Earnings on Investments			26,263		26,263
Miscellaneous	75,964	10,760	9,237	86,404	182,365
Total Receipts	4,281,707	241,369	35,500	2,770,143	7,328,719
Disbursements					
Current:					
Health:					
Personal Services	1,179,765	960,308		2,381,689	4,521,762
Materials & Supplies	60,860	15,525		133,156	209,541
Contractual Services	239,803	54,014		171,649	465,466
Other	101,428	6,481		69,619	177,528
Remittance to State	122,175			135,472	257,647
Capital Outlay	35,402	1,209	2,831,711	16,329	2,884,651
Total Disbursements	1,739,433	1,037,537	2,831,711	2,907,914	8,516,595
Excess of Receipts Over (Under) Disbursements	2,542,274	(796,168)	(2,796,211)	(137,771)	(1,187,876)
Other Financing Sources (Uses)					
Transfers In		753,500	355,628	110,000	1,219,128
Transfers Out	(1,219,128)				(1,219,128)
Advances In	25,000			25,000	50,000
Advances Out	(25,000)			(25,000)	(50,000)
Proceeds from Sale of Bonds			6,000,000	-	6,000,000
Total Other Financing Sources (Uses)	(1,219,128)	753,500	6,355,628	110,000	6,000,000
Net Change in Fund Balances	1,323,146	(42,668)	3,559,417	(27,771)	4,812,124
Fund Balances Beginning of Year	4,211,746	356,168	1,908,527	1,281,547	7,757,988
Fund Balances End of Year	$5,534,892	$313,500	$5,467,944	$1,253,776	$12,570,112

See accompanying notes to the basic financial statements

Greene County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	$2,701,500	$2,701,500	$2,776,885	$75,385
Subdivision Fees	121,970	121,970	121,970	
Fees, Licenses and Permits	458,658	458,658	775,680	317,022
Intergovernmental:				
Federal Grants			99,540	99,540
State Grants	380,350	380,350	431,668	51,318
Miscellaneous	30,000	30,000	75,964	45,964
Total Receipts	3,692,478	3,692,478	4,281,707	589,229
Disbursements				
Current:				
Health:				
Personal Services	1,174,726	1,254,231	1,179,765	74,466
Materials & Supplies	65,000	64,874	61,044	3,830
Contractual Services	162,501	277,572	240,218	37,354
Other	140,750	118,850	103,191	15,659
Remittance to State	115,000	122,250	122,175	75
Capital Outlay	75,000	72,200	35,402	36,798
Total Disbursements	1,732,977	1,909,977	1,741,795	168,182
Excess of Receipts Over (Under) Disbursements	1,959,501	1,782,501	2,539,912	757,411
Other Financing Sources (Uses)				
Transfers Out	(1,383,500)	(1,383,500)	(1,219,128)	164,372
Advances In	60,000	60,000	25,000	(35,000)
Advances Out		(60,000)	(25,000)	35,000
Total Other Financing Sources (Uses)	(1,323,500)	(1,383,500)	(1,219,128)	164,372
Net Change in Fund Balance	636,001	399,001	1,320,784	921,783
Unencumbered Fund Balance Beginning of Year	4,211,746	4,211,746	4,211,746	
Unencumbered Fund Balance End of Year	$4,847,747	$4,610,747	$5,532,530	$921,783

See accompanying notes to the basic financial statements

Greene County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Community Health Services
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Fees, Licenses and Permits	212,250	212,250	135,797	(76,453)
Intergovernmental:				
Federal Grants	52,000	52,000	71,164	19,164
State Grants	6,000	6,000	23,648	17,648
Miscellaneous	75,250	75,250	10,760	(64,490)
Total Receipts	345,500	345,500	241,369	(104,131)
Disbursements				
Current:				
Health:				
Personal Services	1,147,648	1,146,958	960,308	186,650
Materials & Supplies	77,950	77,890	15,525	62,365
Contractual Services	96,863	97,613	54,089	43,524
Other	14,000	14,500	6,772	7,728
Capital Outlay	8,500	8,000	1,209	6,791
Total Disbursements	1,344,961	1,344,961	1,037,903	307,058
Excess of Receipts Over (Under) Disbursements	(999,461)	(999,461)	(796,534)	202,927
Other Financing Sources (Uses)				
Transfers In	753,500	753,500	753,500	
Total Other Financing Sources (Uses)	753,500	753,500	753,500	
Net Change in Fund Balance	(245,961)	(245,961)	(43,034)	202,927
Unencumbered Fund Balance Beginning of Year	356,168	356,168	356,168	
Unencumbered Fund Balance End of Year	$110,207	$110,207	$313,134	$202,927

See accompanying notes to the basic financial statements

Note 1 - Reporting Entity

The Greene County Combined Health District (the Health District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A thirteen-member Board and Health Commissioner governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, and emergency response planning.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Health District's accounting policies.

Basis of Presentation

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

Fund Accounting

The Health District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Health District does not have any proprietary or fiduciary funds.

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

General - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Community Health Services - The Community Health Services fund is used to account for revenue received and expended for the following activities: Children with Medical Handicaps (CMH), health supervision, health education, communicable disease program and other population-based programs.

Building - The Building fund is a capital projects fund established for the accumulation of resources and costs associated with constructing a new building for the Health District.

The other governmental funds of the Health District account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Investments

With the exception of bond proceeds, the County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the David Graham, Greene County Auditor, 69 Greene Street, Xenia, Ohio 45385 or (937) 562-5065.

Cash and cash equivalents that are held separately in accounts at a financial institution from debt proceeds are reported as "Cash and Cash Equivalents in Segregated Accounts."

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Health District had $3,590,914 in cash held in segregated account from debt proceeds that was restricted for the construction of a new building.

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.

Capital Assets

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

Interfund Receivables/Payables

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

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund and community health services fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Community Health Services
Cash Basis	$1,323,146	($42,668)
Encumbrances	2,362	366
Budget Basis	$1,320,784	($43,034)

Note 4 - Deposits and Investments

As required by the Ohio Revised Code, the Greene 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.

At year end the full amount of the Health District's bank balance in segregated account of $3,590,914 was insured by the Federal Deposit Insurance Corporation.

Note 5 - Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2017, was $0.80 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

Real Property	$3,941,561,240
Public Utility Personal Property	127,160,900
Total	$4,068,722,140

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the Health District its portion of the taxes collected.

Note 6 – Interfund Balances and Transfers

Transfers

During 2017, the following transfers were made:

	Transfer from Major Funds
Transfer to	General
Major Funds:	
Community Health Services	$753,500
Building	355,628
Other Nonmajor Funds	110,000
	$1,219,128

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund Balances

During 2017 the Health District's General fund advanced money to various grant funds in order to meet cash flow needs. As of December 31 there were no unpaid advances.

Note 7 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Commission pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

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

The Health District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. 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, 2017, 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.

Note 7 - Risk Management (Continued)

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

	2017
Assets	$44,452,326
Liabilities	(13,004,011)
Net Position	$31,448,315

At December 31, 2017 the liabilities above include approximately $11.8 million of estimated incurred claims payable. The assets above also include approximately $11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Health District's share of these unpaid claims collectible in future years is approximately $23,000.

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.

2017 Contributions to PEP
$35,812

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

Note 8 - Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Health 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. Health 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.

Note 8 - Defined Benefit Pension Plans (Continued)

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, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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	**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	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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:

Note 8 - Defined Benefit Pension Plans (Continued)

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Health District's contractually required contribution was $465,560 for year 2017.

Social Security

Several Health District employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Health District contributed an amount equal to 6.2 percent of participants' gross salaries. The Health District has paid all contributions required through December 31, 2017.

Note 9 - 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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

Note 9 - Postemployment Benefits (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and was 1.0 percent during calendar year 2017. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the Health District's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was $66,509, $65,664 and $67,493, respectively. The full amount has been contributed for all three years.

Note 10 – Contingent Liabilities

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

Note 11 – Fund Balances

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

Fund Balances	General Fund	Community Health Services	Building	Other Governmental Funds	Total
Restricted for					
Solid Waste				$103,053	$103,053
Water Program				38,729	38,729
Swimming Pool				23,894	23,894
Food Service				174,048	174,048
House Trailer Park				15,065	15,065
Help Me Grow				220,740	220,740
Reproductive Health & Wellness				12,301	12,301
CFHSP				67,839	67,839
Public Health Emergency Preparedness				45,786	45,786
WIC				44,167	44,167
Infant Immunization				725	725
Tuberculosis				55,424	55,424
Safe Communities				29,979	29,979
Sewage				40,301	40,301
Plumbing				261,424	261,424
Building			$3,590,914		3,590,914
Total Restricted	$0	$0	3,590,914	1,133,475	4,724,389
Committed to					
Community Health Services		313,500			313,500
Building			1,877,030		1,877,030
Environmental Health				102,903	102,903
Dental				17,398	17,398
Total Committed	0	313,500	1,877,030	120,301	2,310,831
Assigned to					
Other Purposes	2,362				2,362
Total Assigned	2,362	0	0	0	2,362
Unassigned (deficits):	5,532,530				5,532,530
Total Fund Balances	$5,534,892	$313,500	$5,467,944	$1,253,776	$12,570,112

Note 12 – Debt

The Health District's long-term debt activity for the year ended December 31, 2017, was as follows:

	Outstanding 12/31/16	Issued	Retired	Outstanding 12/31/17	Due Within One Year
Governmental Activities					
3.4% Economic Development Revenue Bonds - 2017	$0	$6,000,000	$0	$6,000,000	$0

On May 1, 2017 the Health District with the assistance of the Greene County Port Authority issued $6,000,000 in economic development revenue bonds, series 2017 for the construction of the new Health District building. The Bonds carry an interest rate of 3.4% and mature on May 1, 2042.

The following is a summary of the Health District's future annual debt service requirements for governmental activities*:*

	Loans	
Year	Principal	Interest
2018		$191,533
2019	164,605	201,451
2020	170,289	195,766
2021	176,170	189,885
2022	182,254	183,801
2023-2027	1,010,144	820,131
2028-2032	1,197,043	633,235
2033-2037	1,418,517	411,758
2038-2042	1,680,978	149,304
Total	$6,000,000	$2,976,864

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor / Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed through Ohio Department of Health:			
WIC Special Supplemental Nutrition Program for Women, Infants and Children	02910011WA1017	10.557	$392,331
	02910011WA1118		88,910
Total for United States Department of Agriculture			481,241
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Greene County Family and Children First Council			
Special Education - Grants for Infants and Families	02910021HG0817	84.181	229,031
	H181A160024		187,300
Total for United States Department of Education			416,331
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Passed through Ohio Department of Public Safety:			
Highway Safety Cluster:			
State and Community Highway Safety	SC-2017-29-00-00-00579-00	20.600	19,569
	SC-2018-Greene County Combined He-00042		6,165
Total for United States Department of Transportation			25,734
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Ohio Department of Health:			
Immunization Cooperative Agreements	02910012IM0916	93.268	9,532
Total			9,532
Maternal and Child Health Services Block Grant to the States	02910011MP0117	93.994	26,840
	02910011MP0218		25,914
	02910011RH0718		25,454
	6 B04MC29357-01-03		80,000
	02910011DS0217		8,094
Total			166,302
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs- Financed in part by 2018 Prevention and Public Health Funds (PPHF)	02910014TU0317	93.305	35,348
	02910014TU0418		8,130
Total			43,478
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	02910012PH0817	93.074	89,344
	02910012PH0918		33,667
Total			123,011
Family Planning Services	02910011RH0718	93.217	83,075
Total			83,075
Passed through City of Portsmouth Health Department:			
HIV Prevention Activities Health Department Based	07320012HP1017	93.940	30,900
Total			30,900
Total for United States Department of Health & Human Services			456,298
Total Expenditures of Federal Awards			$1,379,604

The accompanying notes are an integral part of this schedule.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(B)(6)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Greene County Combined Health District (the Health District's) under programs of the federal government for the year ended December 31, 2017. 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 Health District, it is not intended to and does not present the financial position or changes in net position of the Health District.

NOTE B – 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 Health District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require that the Health District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Health District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the schedule.

NOTE D – COMMINGLING

Federal monies are comingled with other state and local revenues for the following programs:

- Special Education – Grants for Infants and Families (CFDA #84.181)

When reporting expenditures on this schedule, the Health District assumes it expends federal monies first.

NOTE E – MEDICAID ADMINISTRATIVE CLAIMING

The District received Medicaid Administrative Claiming (MAC) reimbursements (CFDA #93.767 and #93.778) from the Ohio Department of Health (ODH). Based on the agreement between ODH and the District, MAC reimbursements disbursed by ODH to the District are not considered federal dollars. In 2017, the Health District received $102,462 of MAC reimbursements from ODH. These monies are not reported on the Health District's schedule.

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

Greene County Combined Health District
Greene County
360 Wilson Drive
Xenia, Ohio 45385

To the Board of Health

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Combined Health District, Greene County, (the Health District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated October 3, 2018, wherein we noted the Health District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Health District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2017-001 and 2017-002 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Health District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Health District's Response to Findings

The Health District's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not subject the Health District's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Dave Yost
Auditor of State
Columbus, Ohio

October 3, 2018

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

Greene County Combined Health District
Greene County
360 Wilson Drive
Xenia, Ohio 45385

To the Board of Health

Report on Compliance for each Major Federal Program

We have audited Greene County Combined Health District's (the Health 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 Greene County Combined Health District's major federal programs for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Health District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the Health District's compliance for each of the Health District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and 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 Health District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on each Major Federal Program

In our opinion, Greene County Combined Health District 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, 2017.

Report on Internal Control Over Compliance

The Health District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Health District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with 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 Health District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance**.**

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control 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

October 3, 2018

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2017

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	WIC Special Supplemental Nutrition Program for Women, Infants and Children (CFDA #10.557) Special Education-Grants for Infants and Families (CFDA #84.181)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**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 2017-001

MATERIAL WEAKNESS – FINANCIAL REPORTING

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement,* paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

During 2017, the Health District issued Economic Development Revenue Bonds for the purpose of constructing a new administrative building. The Health District was in direct control of the bond proceeds and all the activity within this account, while the County Auditor served as the fiscal agent for the remaining Health District's funds. The Health District only reported accounts under the control of the County Auditor on its 2017 financial statements. This resulted in the following material errors that required audit adjustments to the accompanying government wide and building fund financial statements:

i. Proceeds from sale of bonds was understated by $6,000,000
ii. Interest Revenue was understated by $26,263
iii. Capital Outlay expenditures were understated by $2,435,349
iv. Cash and Net Position/ Fund balance at December 31, 2017 was understated by $3,590,914

Additionally, the Health District reported $433,801 in unrestricted net position as restricted for Health Services on the statement of net position. An audit adjustment was required to properly report the net position.

The Health District should establish and implement procedures to verify the completeness and accuracy of the financial statements. All activities of the Health District should be reported on the year-end financial statements and someone independent of the financial statement preparation process should verify the accuracy of year end reports. Failure to do so could result in the users of the financial statements using materially incorrect information as a basis of their decision regarding Health District's finances.

Official's Response: See Corrective Action Plan on page 33

FINDING NUMBER 2017-002

MATERIAL WEAKNESS – MAJOR FUND DETERMINATION

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement,* paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Paragraphs 75 and 76 of Government Accounting Standards Board (GASB) Statement No. 34, as amended by GASB Statement No. 37 and as codified in paragraphs 158 and 159 of Section 2200 of the GASB Codification, provide the focus of governmental and proprietary fund financial statements is on major funds. Fund statements should present the financial information of each major fund in a separate column. Nonmajor funds should be aggregated and displayed in a single column.

FINDING NUMBER 2017-002
(Continued)

The reporting government's main operating fund (the general fund or its equivalent) should always be reported as a major fund. Other individual governmental and enterprise funds should be reported in separate columns as major funds based on these criteria:

i. The total of assets and deferred outflows of resources, the total of liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding element(s) total (total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), *and*
ii. The same element(s) that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund.

The Health District's 2017 financial statements filed erroneously presented Help Me Grow fund under other governmental funds even though it met the above noted criteria to be presented as a major fund. Other financial statement adjustment noted during our audit (see finding 2017-001) resulted in the fund not being a major fund on the adjusted financial statements and no adjustments were required to be made to the accompanying financial statements.

The Health District should establish and implement procedures to verify that all funds meeting the requirements of a major fund under GASB Statement No. 34 are presented as such on the financial statements. Failure to do so could result in the activity of a significant fund being reported under other governmental funds.

Official's Response: See Corrective Action Plan on page 33

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Public Health
Prevent. Promote. Protect.
Greene County

Greene County Public Health

Melissa Howell MS, MBA, MPH, RN, RS, Health Commissioner
Kevin L. Sharrett, MD, Medical Director

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
FOR THE YEAR ENDED DECEMBER 31, 2017

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	Policies and procedures will be implemented to verify the completeness and accuracy of the statements. Management will additionally verify the accuracy of the statements independently	March 1, 2019	Melissa Howell, Health Commissioner
2017-002	Health District will establish and implement procedures to ensure that all funds meeting the requirements to be classified as major funds are presented as such on the financial statements.	March 1, 2019	Melissa Howell, Health Commissioner

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Dave Yost • Auditor of State

GREENE COUNTY COMBINED HEALTH DISTRICT

GREENE 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
OCTOBER 23, 2018

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