



**Mary Taylor, CPA**  
Auditor of State



SENECA COUNTY DISTRICT BOARD OF HEALTH

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Seneca County District Board of Health  
71 South Washington Street  
Tiffin, Ohio 44883-2359

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Seneca County District Board of Health, Seneca County, Ohio (the District), as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

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 Seneca County District Board of Health, Seneca County, Ohio, as of December 31, 2009, and the respective changes in cash financial position thereof and the respective budgetary comparison for the General, Construction and Demolition Debris and WIC Grant funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditures schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards expenditures schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

April 26, 2010

**SENECA COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2009**  
**Unaudited**

The discussion and analysis of the Seneca County District Board of Health, (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2009, within the limitations of the District's cash basis of accounting. 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 notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the year 2009 are as follows:

- Net assets increased \$179,493 or 40.2% from the prior year. The majority of this increase occurred in other governmental non-major funds, which realized the greatest increase due to increased grant funding for emergency preparedness and Women, Infants, and Children (WIC).
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the District's receipts, making up 79% of all the dollars coming into the District. General receipts in the form of property taxes, donations, state subsidy and miscellaneous receipts make up the other 21%.
- The District's disbursements increased by \$105,226 or 4.3% from the prior year. The majority of this increase occurred in the Public Health Emergency Preparedness Fund due to the addition of supplemental grant funds (Public Health Emergency Response or PHER) to support H1N1 preparedness and response capacity.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in statements.

## **SENECA COUNTY DISTRICT BOARD OF HEALTH**

Management's Discussion and Analysis

For the Year Ended December 31, 2009

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 generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

### **Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2009, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year-end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. 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. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the District's services. These services are funded primarily by charges for services and operating grants and contributions. The District has no business-type activities.

### **Reporting the District's Most Significant Funds**

#### **Fund Financial Statements**

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the District are governmental.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

Management's Discussion and Analysis

For the Year Ended December 31, 2009

Unaudited

(Continued)

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, the Construction and Demolition Debris Fund, and the WIC Grant Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2009 compared to 2008 on a cash basis:

**Table 1 - Net Assets**

	<b>Governmental Activities 2009</b>	<b>Governmental Activities 2008</b>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$626,418	\$446,925
<b>Net Assets</b>		
Restricted for:		
Other Purposes	\$533,996	\$425,802
Unrestricted	92,422	21,123
Total Net Assets	\$626,418	\$446,925

As mentioned previously, net assets increased \$179,493. The increase is due primarily to increases in operating grants received during 2009.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

Management's Discussion and Analysis

For the Year Ended December 31, 2009

Unaudited

(Continued)

Table 2 reflects the change in net assets on a cash basis in 2009 as compared to 2008.

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities 2009</b>	<b>Governmental Activities 2008</b>
<b>Receipts:</b>		
Program Receipts:		
Charges for Services and Sales	\$1,291,109	\$1,146,315
Operating Grants and Contributions	849,481	717,714
Total Program Receipts:	<u>2,140,590</u>	<u>1,864,029</u>
General Receipts:		
Property and Other Local Taxes Levied for General Health		
District Purposes	467,182	473,110
Grants and Entitlements not Restricted to Specific Purposes	87,605	54,704
Donations	2,603	2,492
Miscellaneous	13,928	20,373
Total General Receipts	<u>571,318</u>	<u>550,679</u>
Total Receipts	<u>2,711,908</u>	<u>2,414,708</u>
<b>Disbursements:</b>		
Environmental Health		
Trailer Park	10,983	10,084
Swimming Pool	6,949	5,548
Food Service	86,642	83,984
Water System	16,278	18,918
Solid Waste	84,854	140,870
Nuisance	350	11,709
Radon	40,384	41,473
Sewage	13,506	31,100
Construction and Demolition Debris	401,348	238,166
Community Health Services		
WIC	322,850	291,772
Senior Services	3,883	4,491
Early Intervention		129
Dental Services	8,067	18,470
Welcome Home Project	21,935	33,324
Public Health Preparedness	231,259	138,396
Lead	95,396	104,478
Tobacco Use	2,433	5,100
Preventive Health	2,858	34,907
Immunizations	132,472	106,373
Wellness	39,077	63,679
Child and Family Health Services	38,081	47,348
Homemaker	70,880	73,444
Administration	901,930	923,426
Total Disbursements	<u>2,532,415</u>	<u>2,427,189</u>
Changes in Net Assets	179,493	(12,481)
Net Assets January 1,	446,925	459,406
Net Assets December 31,	<u>\$626,418</u>	<u>\$446,925</u>

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

Management's Discussion and Analysis

For the Year Ended December 31, 2009

Unaudited

(Continued)

In 2009, 21 percent of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 79 percent of the District's total receipts in year 2009. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants and donations.

Administration accounted for 36 percent of the District's total disbursements for 2009. These costs represent the costs to administer all programs not supported by special revenues. Sixteen percent of the District's total disbursements were from the Construction and Demolition Debris Fund. These costs are associated with the payment of a portion of the fees collected to the Ohio EPA, Ohio Department of Natural Resources, Seneca County Commissioners, and Loudon Township. An additional 13 percent of the District's disbursements are from the Women Infants, and Children (WIC) fund, which accounts for the Special Supplemental Nutrition Program.

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for construction and demolition debris, administration, and the WIC grant which account for 16%, 36%, and 13% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost for both the current and prior year is presented in Table 3.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

Management's Discussion and Analysis

For the Year Ended December 31, 2009

Unaudited

(Continued)

**Table 3**

**Governmental Activities**

	<b>Total Cost of Services 2009</b>	<b>Net Cost of Services 2009</b>	<b>Total Cost of Services 2008</b>	<b>Net Cost of Services 2008</b>
Environmental Health				
Trailer Park	\$10,983	(\$3,190)	\$10,084	\$7
Swimming Pool	6,949	(1,231)	5,548	(97)
Food Service	86,642	(2,411)	83,984	(4,213)
Water System	16,278	(2,848)	18,918	1,212
Solid Waste	84,854	2,947	140,870	(287)
Nuisance	350	300	11,709	10,159
Radon	40,384	(14,198)	41,473	413
Sewage	13,506	(10,459)	31,100	7,475
Construction and Demolition Debris	401,348	(36,854)	238,166	7,334
Community Health Services				
WIC	322,850	(30,628)	291,772	(8,491)
Senior Services	3,883	(26)	4,491	284
Early Intervention			129	129
Dental Services	8,067	4,171	18,470	12,143
Welcome Home Project	21,935	1,117	33,324	(2,007)
Public Health Preparedness	231,259	(30,014)	138,396	(20,597)
Lead	95,396	(538)	104,478	(3,719)
Tobacco Use	2,433	1,923	5,100	(2,209)
Preventive Health	2,858	(5,142)	34,907	10,910
Immunizations	132,472	(6,283)	106,373	691
Wellness	39,077	11,399	63,679	(4,659)
Child and Family Health Services	38,081	363	47,348	3,653
Homemaker	70,880	8,766	73,444	1,615
Administration	901,930	504,661	923,426	553,414
Total Expenses	<u>\$2,532,415</u>	<u>\$391,825</u>	<u>\$2,427,189</u>	<u>\$563,160</u>

The District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. Only 21 percent of the District costs are supported through property taxes and other general receipts.

**The District's Funds**

Total governmental funds had receipts and other financing sources of \$2,992,783 and disbursements and other financing uses of \$2,813,290. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased by \$71,299 due to additional contracted services provided by the District. In addition to increases in demand for the District's school nursing services, the District was contracted to provide Wellness Services for Seneca County Government employees.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited  
(Continued)

**Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During the course of 2009, the District amended its budget as needed.

The General Fund's final budgeted revenues, excluding other financial sources, were \$2,381 more than the original budget. Actual revenue collections, excluding other financing sources, were \$5,736 less than final budget estimates. Actual expenditures, excluding other financing uses were \$72,182 less than final estimates. Reduction of general fund expenditures was due to the declaration of the H1N1 public health emergency. The District temporarily redirected efforts to provide preparedness and response capacity. Funding was provided to cover this emergency by additional Public Health Emergency Response funds within the Public Health Emergency Preparedness Grant.

**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**

A major challenge for the District is to provide quality services to the public while complying with 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 that costs to administer and carry out programs are covered.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marjorie Broadhead, Health Commissioner, 71 South Washington Street, Suite 1102, Tiffin, OH 44883-2359.

**Seneca County District Board of Health  
Statement of Net Assets - Cash Basis  
For the Year Ended December 31, 2009**

	<b>Governmental Activities</b>
<b><u>Assets</u></b>	
Equity and Pooled Cash and Cash Equivalents	<u><u>\$626,418</u></u>
<b><u>Net Assets</u></b>	
Restricted for:	
Other Purposes	\$533,996
Unrestricted	<u>92,422</u>
Total Net Assets	<u><u>\$626,418</u></u>

See accompanying notes to the basic financial statements.



**Seneca County District Board of Health**  
**Statement of Cash Basis Assets and Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2009**

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>WIC Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	<u>\$92,422</u>	<u>\$343,020</u>	<u>\$33,736</u>	<u>\$157,240</u>	<u>\$626,418</u>
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	\$14,646	\$155,438	\$1,685	\$45,831	\$217,600
Unreserved, Undesignated, Reported in:					
General Fund	77,776				77,776
Special Revenue Funds		<u>187,582</u>	<u>32,051</u>	<u>111,409</u>	<u>331,042</u>
Total Fund Balances	<u>\$92,422</u>	<u>\$343,020</u>	<u>\$33,736</u>	<u>\$157,240</u>	<u>\$626,418</u>

See accompanying notes to the basic financial statements

**Seneca County District Board of Health**  
**Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2009**

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>WIC Grant</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Receipts</b>					
Property and Other Local Taxes	\$467,182				\$467,182
Licenses and Permits	10,555			\$201,891	212,446
Fees	248,325	\$438,202		91,357	777,884
Contractual Services	138,389		\$4,720	157,670	300,779
Intergovernmental	87,605		348,758	500,723	937,086
Donations				2,603	2,603
Miscellaneous	12,298	117	302	1,211	13,928
<b>Total Receipts</b>	<u>964,354</u>	<u>438,319</u>	<u>353,780</u>	<u>955,455</u>	<u>2,711,908</u>
<b>Disbursements</b>					
Current:					
Environmental Health					
Trailer Park				10,983	10,983
Swimming Pool				6,949	6,949
Food Service				86,642	86,642
Water System				16,278	16,278
Solid Waste				84,854	84,854
Nuisance				350	350
Radon				40,384	40,384
Sewage				13,506	13,506
Construction and Demolition Debris		401,348			401,348
Community Health Services					
WIC			322,850		322,850
Senior Services				3,883	3,883
Dental Services				8,067	8,067
Welcome Home Program				21,935	21,935
Public Health Preparedness				231,259	231,259
Lead				95,396	95,396
Tobacco Use				2,433	2,433
Preventive Health				2,858	2,858
Immunizations				132,472	132,472
Wellness				39,077	39,077
Child and Family Health Services				38,081	38,081
Homemaker				70,880	70,880
Administration	901,930				901,930
<b>Total Disbursements</b>	<u>901,930</u>	<u>401,348</u>	<u>322,850</u>	<u>906,287</u>	<u>2,532,415</u>
Excess of Receipts Over Disbursements	<u>62,424</u>	<u>36,971</u>	<u>30,930</u>	<u>49,168</u>	<u>179,493</u>
Other Financing Sources (Uses)					
Advances In	144,500		47,000	83,000	274,500
Advances Out	(130,000)		(47,000)	(97,500)	(274,500)
Transfers-In	375			6,000	6,375
Transfers-Out	(6,000)			(375)	(6,375)
<b>Total Other Financing Sources (Uses)</b>	<u>8,875</u>			<u>(8,875)</u>	
<b>Net Change in Fund Balance</b>	71,299	36,971	30,930	40,293	179,493
<b>Fund Balances Beginning of Year</b>	<u>21,123</u>	<u>306,049</u>	<u>2,806</u>	<u>116,947</u>	<u>446,925</u>
<b>Fund Balances End of Year</b>	<u>\$92,422</u>	<u>\$343,020</u>	<u>\$33,736</u>	<u>\$157,240</u>	<u>\$626,418</u>

See accompanying notes to the basic financial statements.

**Seneca County District Board of Health**  
**Statement of Receipts, Disbursements and Changes**  
**in Fund Balance - Budget and Actual - Budget Basis**  
**General Fund**  
**For the Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$468,855	\$467,449	\$467,182	(\$267)
Licenses and Permits	19,455	12,692	10,555	(2,137)
Fees	249,021	251,586	248,325	(3,261)
Contracted Services	134,621	139,484	138,389	(1,095)
Intergovernmental	87,507	87,605	87,605	
Donations				
Miscellaneous	8,250	11,274	12,298	1,024
Total Receipts	<u>967,709</u>	<u>970,090</u>	<u>964,354</u>	<u>(5,736)</u>
<b>Disbursements</b>				
Current:				
Administration	<u>976,418</u>	<u>988,758</u>	<u>916,576</u>	<u>72,182</u>
Excess of Receipts Over (Under) Disbursements	<u>(8,709)</u>	<u>(18,668)</u>	<u>47,778</u>	<u>66,446</u>
<b>Other Financing Sources(Uses)</b>				
Transfers-In		375	375	
Transfers Out		(6,000)	(6,000)	
Advances-In			144,500	144,500
Advances-Out			(130,000)	(130,000)
Total Other Financing Sources(Uses)		<u>(5,625)</u>	<u>8,875</u>	<u>14,500</u>
Net Change in Fund Balance	(8,709)	(24,293)	56,653	80,946
Fund Balance Beginning of Year	(1,938)	(1,938)	(1,938)	
Prior Year Encumbrances Appropriated	<u>23,061</u>	<u>23,061</u>	<u>23,061</u>	
Fund Balance End of Year	<u>\$12,414</u>	<u>(\$3,170)</u>	<u>\$77,776</u>	<u>\$80,946</u>

See accompanying notes to the basic financial statements.

**Seneca County District Board of Health  
Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual - Budget Basis  
Construction and Demolition Debris Fund  
For the Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Fees	\$250,000	\$438,202	\$438,202	
Miscellaneous		117	117	
Total Receipts	<u>250,000</u>	<u>438,319</u>	<u>438,319</u>	
<b>Disbursements</b>				
Current:				
Construction and Demolition Debris	<u>287,280</u>	<u>610,016</u>	<u>556,786</u>	<u>\$53,230</u>
Net Change in Fund Balance	<u>(37,280)</u>	<u>(171,697)</u>	<u>(118,467)</u>	<u>53,230</u>
Fund Balance Beginning of Year	226,704	226,704	226,704	
Prior Year Encumbrances Appropriated	<u>79,345</u>	<u>79,345</u>	<u>79,345</u>	
Fund Balance End of Year	<u><u>\$268,769</u></u>	<u><u>\$134,352</u></u>	<u><u>\$187,582</u></u>	<u><u>\$53,230</u></u>

See accompanying notes to the basic financial statements.

**Seneca County District Board of Health**  
**Statement of Receipts, Disbursements and Changes**  
**in Fund Balance - Budget and Actual - Budget Basis**  
**WIC Grant Fund**  
**For the Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$304,650	\$348,757	\$348,758	\$1
Contacted Services	8,000	4,720	4,720	
Miscellaneous		302	302	
<b>Total Receipts</b>	<u>312,650</u>	<u>353,779</u>	<u>353,780</u>	<u>1</u>
<b>Disbursements</b>				
Current:				
WIC	<u>307,049</u>	<u>345,397</u>	<u>324,535</u>	<u>20,862</u>
<b>Other Financing Sources (Uses)</b>				
Advances- In			47,000	47,000
Advances - Out			(47,000)	(47,000)
<b>Total Other Financing Sources(Uses)</b>				
<b>Net Change in Fund Balance</b>	<u>5,601</u>	<u>8,382</u>	<u>29,245</u>	<u>20,863</u>
Fund Balance Beginning of Year	897	897	897	
Prior Year Encumbrances Appropriated	<u>1,909</u>	<u>1,909</u>	<u>1,909</u>	
<b>Fund Balance End of Year</b>	<u><u>\$8,407</u></u>	<u><u>\$11,188</u></u>	<u><u>\$32,051</u></u>	<u><u>\$20,863</u></u>

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE 1 – REPORTING ENTITY**

The Seneca District Board of Health, Seneca County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A ten-member Board with two members appointed by the City of Tiffin, two members appointed by the City of Fostoria, five members appointed by the District Advisory Council, and one member appointed by the District Licensing Advisory Council.

**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 services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, certification of birth and death records, women-infant-children nutritional education, and emergency response planning.

The Seneca County Auditor acts as fiscal agent for the District and the Seneca 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; or the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. 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.

**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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

**A. Basis of Presentation**

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

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

Government-Wide Financial Statements

The statement of net assets 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 nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the District at year-end. The statement of activities compares disbursements and program receipts for each program or function 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 goods or services offered by the program, grants and contributions that are restricted to meeting the operational requirements of a particular program. Receipts, which are not classified as program receipts are presented as general receipts of the 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 District.

Fund Financial Statements

During the year, the District segregates transactions related to certain 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 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. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The 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. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

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

- 1. General Fund** - The General Fund accounts 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.
- 2. Construction and Demolition Debris Fund** - The Construction and Demolition Debris special revenue fund receives revenue from the landfill at a rate of \$1.60 per ton collected by the landfill. The District retains \$.40 per ton collected and the remaining revenue is disbursed to the Environmental Protection Agency, Department of Natural Resources, Loudon Township, and the Seneca County Commissioners.
- 3. WIC Grant Fund** – The WIC Grant Fund receives revenue from the Ohio Department of Health to provide services to improve the health and nutrition status and prevent health problems among at-risk women, infants and children.

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

The other governmental funds of the District account for grants and other resources whose use is restricted for a particular purpose.

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 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 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 liabilities and their related expenses) 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 existing 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 annual limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established by the District at the fund and object level for all funds.

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 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 District.

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 amounts reported as the final budgeted amounts represent the final appropriations passed by the District during the year.

E. Cash and Investments

In accordance with the Ohio Revised Code, the District's cash is held and invested by the Seneca County Treasurer, who acts as custodian for the District's 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.

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. 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.

G. 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.

H. 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 Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Assets

Net assets are 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 assets restricted for other purposes primarily include grants for specific purposes.

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

J. Fund Balance Reserves

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance, which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

K. Interfund Transactions

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 cash disbursements to the funds that initially paid for them are not presented in the financial statements.

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

**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 – Budgetary Basis presented for the General Fund, the Construction and Demolition Debris Fund, and the WIC Grant Fund are prepared 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 cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$14,646 for the General Fund, \$155,438 for the Construction and Demolition Debris Fund, and \$1,685 for the WIC Grant Fund.

**NOTE 4 – PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent 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 real and tangible personal property taxes collected for 2009 were levied after October 1, 2008, on the assessed values determined as of December 31, 2008, the lien date. These taxes will be collected in and are intended to finance 2010 operations. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described earlier.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. The first payment is due April 30 with the remainder payable by September 20.

The full tax rate for all District operations for the year ended December 31, 2009, was \$1.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property.....	\$888,127,020	94.78%
Public Utility Personal Property.....	<u>48,924,390</u>	<u>5.22%</u>
Total Assessed Value.....	\$937,051,410	100.00%

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

**NOTE 5 – INTERFUND**

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds	\$6,000
Transfers from Other Governmental Funds to:	
General Fund	\$ 375

Transfers represent the allocation of unrestricted receipts collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 6 – RISK MANAGEMENT**

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

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

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. 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, 2008, 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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

**NOTE 6 – RISK MANAGEMENT - (CONTINUED)**

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. 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.

<b><u>Contributions to PEP</u></b>	
2007	\$9,732
2008	\$11,442
2009	\$11,322

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 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 7 – DEFINED BENEFIT PENSION PLAN**

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – (CONTINUED)**

For the year ended December 31, 2009, members were required to contribute 10 percent of their annual covered salaries. The District's contribution rate for pension benefits for 2009 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$174,506, \$178,721, and \$174,842, respectively. The full amount has been contributed for 2009, 2008 and 2007.

**NOTE 8 – POSTEMPLOYMENT BENEFITS**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2009 employer contribution rate was 14 percent of covered payroll. The portion of employer contributions allocated to health care was 7 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 3.00 percent annually for the next 6 years. In subsequent years (7 and beyond) were assumed to increase at 4 percent.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 357,584. The number of active contributing participants for both plans used in the December 31, 2009, actuarial valuation was 356,388. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, were \$10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.6 billion and \$18.9 billion, respectively.

The employer contribution made to fund post-employment benefits from January 1 through March 31, 2009 was \$23,056 and from April 1 through December 31, 2009 was \$50,445.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008, which will allow additional funds to be allocated to the health care plan.

SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

**NOTE 9 – CONTINGENCIES - GRANTS**

The District receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	74-1-001-1WA0310 74-1-001-1WA0209	10.557	\$ 67,130 249,506
Total U.S. Department of Agriculture			<b>316,636</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Health</i>			
Maternal and Child Health Services Block Grant to States (CFHS)	74-1-001-1-MC0310 74-1-001-1-MC0209	93.994	7,031 21,486
Maternal and Child Health Services Block Grant to States (Lead Resources)	74-1-001-1-LE0310 74-1-001-1-LE0209	93.994	17,994 73,153
Total Block Grant to States			119,664
Centers for Disease Control and Prevention - Investigations and Technical Assistance	74-1-001-2-P-0209	93.283	68,424
Immunization Grants	74-1-001-2-IM0209 74-1-001-2-IM0108	93.268	59,773 2,498
Total Immunization Grants			62,271
Preventive Health and Health Services Block Grant	74-1-001-4-IP0108	93.991	197
Public Health Emergency Preparedness	74-1-001-2-PH0110	93.069	120,718
Total U.S. Department of Health and Human Services			<b>371,274</b>
<b>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>			
<i>Passed Through Ohio Department of Health</i>			
State Indoor Radon Grants	74-1-001-2-IR0209	66.032	28,604
<b>Total Federal Awards Expenditures</b>			<b>\$ 716,514</b>

*The accompanying notes are an integral part of this schedule.*

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Seneca County District Board of Health (the District's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - 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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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Seneca County District Board of Health  
71 South Washington Street  
Tiffin, Ohio 44883-2359

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca County District Board of Health, Seneca County, Ohio (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 26, 2010, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion 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*.

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated April 26, 2010.

We intend this report solely for the information and use of the audit committee, management, the Members of the Board, federal awarding agencies, pass-through entities and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

April 26, 2010



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Seneca County District Board of Health  
71 South Washington Street  
Tiffin, Ohio 44883-2359

To the Members of the Board:

### Compliance

We have audited the compliance of Seneca County District Board of Health, Seneca County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Seneca County District Board of Health complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2009.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, the Members of the Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

April 26, 2010

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2009**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<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 internal control weaknesses 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	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510 (a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	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: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None





**Mary Taylor, CPA**  
Auditor of State

**DISTRICT BOARD OF HEALTH**

**SENECA COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 13, 2010**