



Dave Yost • Auditor of State

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

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CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Clermont County General Health District
Clermont County
2275 Bauer Road, Suite 300
Batavia, Ohio 45103

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clermont County General Health District, Clermont County, Ohio (the District), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clermont County General Health District, Clermont County, Ohio, as of December 31, 2013, and the respective changes in financial position and the respective budgetary comparisons for the General, Food Service Special Revenue, Immunization Action Plan Special Revenue, Bioterrorism Grant Special Revenue, WIC Administration Special Revenue, Safe Communities Special Revenue, and Sewage Program Special Revenue funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Federal Award Receipts and Expenditures presents additional analysis as required by the 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 financial statements.

The schedule is management's responsibility, and derives from and relate 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 the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves 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 July 9, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

July 9, 2014

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Clermont County General Health District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Unaudited

The discussion and analysis of the General Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2013. The intent of this discussion and analysis is to look at the Health 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 Health District's financial performance.

Financial Highlights

Key financial highlights for the year 2013 are as follows:

- The assets of the Health District exceeded its liabilities at the close of the year ended December 31, 2013, by \$1,541,293 (net position).
- The Health District's total net position decreased by \$303,392 which represents a 16.5% decrease from 2012.
- At the end of 2013, the Health District's governmental funds reported a combined ending fund balance of \$1,402,723. Of this amount, \$777,788 is available for spending (unassigned fund balance) on behalf of Clermont County citizens.
- At the end of the 2013 fiscal year, the unassigned fund balance for the general fund was \$777,912 or 62.6% of total general fund expenditures.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Health District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

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

Reporting the Health District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the Health District to provide services to our citizens, the view of the Health District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all

Clermont County General Health District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Unaudited

assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Health District's net position and the change in the position. This change in net position is important because it tells the reader whether, for the Health District as a whole, the financial position of the Health District has improved or diminished. However, in evaluating the overall position of the Health District, nonfinancial information such as the condition of the Health District's capital assets, the reliance on non-local financial resources for the operations and the need for continued growth will also need to be evaluated.

Reporting the Health District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The Health District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Health District are governmental funds. Fund financial reports provide detailed information about the Health District's major funds.

Based on restrictions on the use of monies, the Health District has established many funds which account for the multitude of services provided. However, these fund financial statements focus on the Health District's most significant funds. In the case of the Clermont County Health District, the major funds are the General, Bioterrorism Grant, WIC Administration, Food Service, Immunization Action Plan, Safe Communities and Sewage Program. The analysis of the Health District's major funds begins on page 7.

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

It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Health District's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Health District maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

Clermont County General Health District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Unaudited

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Health District, assets exceeded liabilities by \$1,541,923 as of December 31, 2013.

Table 1 provides a summary of the Health District's net position for 2013 compared to 2012.

Table 1
Net Position
(In Thousands)

	<u>2013</u>	<u>2012</u>
Assets		
Current & Other Assets	\$1,469.4	\$1,751.9
Capital Assets, Net	294.7	360.2
<i>Total Assets</i>	<u>1,764.1</u>	<u>2,112.1</u>
Liabilities		
Current & Other Liabilities	66.7	55.8
Long-Term Liabilities		
Due Within One Year	72.4	80.5
Due in More Than One Year	83.8	131.1
<i>Total Liabilities</i>	<u>222.9</u>	<u>267.4</u>
Net Position		
Net Investment in Capital Assets	294.7	360.2
Restricted:	616.4	977.3
Unrestricted	630.1	507.2
<i>Total Net Position</i>	<u>\$1,541.2</u>	<u>\$1,844.7</u>

The Health District's Current Assets decreased approximately \$348,000 due to Intergovernmental Receivable no longer being listed on the Statement of Net Position because of the change of WIC to a reimbursement basis. Capital Assets decreased approximately 65,500 due to depreciation of furniture, fixtures and equipment. Current liabilities increased approximately \$10,900 due to an increase in accrued wages, benefits. Long-term liabilities decreased approximately \$47,300 due to the reduction in compensated absences.

Clermont County General Health District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Unaudited

Table 2 provides a summary of the changes in net position for 2013 compared to 2012.

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Program Revenues:		
Charges for Services	\$1,462.0	\$1,463.8
Operating Grants and Contributions	1,208.9	1,721.6
Capital Grants and Contributions		0.0
<i>Total Revenues</i>	<u>2,670.9</u>	<u>3,185.4</u>
Program Expenses		
Health:		
Environmental Health	1,099.4	1,207.9
Community Health Services	915.0	890.1
Health Promotion and Planning	168.5	213.6
Administration	791.3	840.3
<i>Total Expenses</i>	<u>2,974.2</u>	<u>3,151.9</u>
<i>Increase/Decrease in Net Position</i>	<u>(\$303.3)</u>	<u>\$33.5</u>

Governmental Activities

The Health District's governmental activities include Environmental Health, Community Health Services, Health Promotion and Planning and Administration. Major programs in Environmental Health include Food Service, Solid Waste, Private Water, Private Sewage, Swimming Pool, Infectious Waste and Plumbing Inspections. Overall expenses decreased by \$177,700 and revenues decreased by \$514,500. The decrease in expenses is largely the result of unfilled staff vacancies in the Environmental Health and Water & Waste Divisions.

Community Health Services includes the Bureau for Children with Medical Handicaps Program which provides diagnostic and treatment programs that link families with providers and the Tuberculosis Program, providing Tuberculosis skin testing and case management, Senior Safety Program, working to reduce injuries among senior citizens, and Women, Infants and Children (WIC) whose goal is to improve the nutritional status of mothers, infants, and children during critical stages of growth and development. Expenses for Community Health Services increased by \$24,900 in 2013 compared to 2012. This was partly due to staffing changes.

Major programs in Health Promotion and Planning are the Bioterrorism (Public Health Emergency Preparedness) Program which ensures public health is ready and able to respond to major emergencies or terrorism events and the Safe Communities Program whose goal is to reduce the number of traffic fatalities. Health Promotion and Planning revenues decreased by \$45,100 in 2013 compared to 2012. This decrease is the result of reduction in grant funding and a reduction in staff.

Clermont County General Health District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Unaudited

Administration includes the overall administration of the Health District including fiscal management, support staff and vital statistics. Administration is also comprised of the Public Health Nuisance Program which addresses nuisance complaints made by citizens, administration of the Water and Waste Division and administration for the Nursing Division including support services, the Communicable Disease Program for tracking and conducting disease surveillance, and the Immunization Program, providing low cost immunizations for children and adults.

Operating grants and contributions decreased by \$512,700. Increases and decreases occur from year to year based on timing of receipt of grant payments and changes with WIC being on a reimbursement basis.

The Health District's strategy to secure the maximum amount of grants and contracts that are provided by the state and federal governments continues to be productive. Grants include Safe Communities, Bioterrorism (Public Health Emergency Preparedness), Immunization, Preventive Health – Senior Safety, and Women, Infants, and Children (WIC). The Health District also holds contracts with City of Cincinnati Health Department for Cities Readiness Initiative, the Clermont County Board of Commissioners for the Tuberculosis program, the Ohio Manufactured Home Commission for inspections, and the SmokeFree Ohio Workplace program. In 2012, the Health District starting receiving funds for MAC (Medicaid Administrative Claiming) based on services provided to clients by the Nursing and Administrative Divisions.

Financial Analysis of the Health District's Funds

As noted earlier, the Health District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Health District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Health District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Health District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Health District's governmental funds reported combined ending fund balances of \$1,402,723. Of this amount, \$777,788 constitutes unassigned fund balance, which is available for spending. The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending (\$624,935). The General Fund is the chief operating fund of the Health District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$777,912. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 62.6% of the total general fund expenditures.

Revenues exceeded expenditures in the General Fund by \$185,928 in 2013. Intergovernmental accounts for 55.3% of revenues in the General Fund. This consists of money from the townships, villages, and the City of Milford. Administration accounts for the majority, \$812,422, of expenditures in the General Fund.

Clermont County General Health District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Unaudited

The WIC Administration Special Revenue Fund accounts for federal grant monies for the Women, Infants and Children (WIC) program. WIC is a program for pregnant women, women who recently had a baby, breastfeeding moms, infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. At the end of the current fiscal year the total fund balance was \$5,776.

The Bioterrorism Special Revenue Fund accounts for federal grant monies for public health infrastructure and emergency planning efforts. The program is responsible for developing the Health District Emergency Operation Plan, all supporting documents, and training and exercise programs. Planning and preparedness are collaborative efforts done on a local level with involvement of key partners in Clermont County as well as regional partners. At the end of the 2013 fiscal year the ending fund balance was \$1,235.

The Sewage Program Special Revenue Fund accounts for permits and licenses for the onsite Sewage Program. The program is responsible for reviewing private sewage treatment system applications, issuing permits for installation and conducting inspections of the installation. The program also conducts basic system assessments of existing private sewage systems to ensure compliance with local and state laws. At the end of the current fiscal year the ending fund balance was \$181,170.

The Food Service Special Revenue Fund accounts for licenses for the Food Service Program. The program is responsible for licensing and inspecting food service operations to ensure safety and sanitation regulations are being followed. At the end of 2013 the ending fund balance was \$156,653

The Immunization Action Plan Special Revenue Fund accounts for grant funds received from Ohio Department of Health to be used to increase the percentage rate of children who are fully immunized in the County. At the end of 2013 the fund balance was \$575.

The Safe Communities Special Revenue Fund accounts for grant funds received from the Ohio Department of Transportation to be used for activities targeted at reducing the rate of traffic accidents and deaths resulting from traffic accidents in the county. As of the end of 2013, the grant is no longer being administered by the Health District.

General Fund Budgeting Highlights

The Health District's budget is prepared and approved by the Board of Health according to Ohio Law by April 1st the year prior to the fiscal year. The budget is then approved by the Clermont County Budget Commission in May. The budget is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2013, the Health District amended its general fund budget several times. All recommendations for the budget were reviewed by the Clermont County Board of Health for adoption on the change. With the General Fund supporting many of our major activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending.

Clermont County General Health District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Unaudited

Expenditures are typically increased as needed to cover unanticipated costs. There were no additional appropriations in the General Fund budget in 2013.

Capital Assets

The Health District's investment in capital assets for its governmental activities as of December 31, 2013, amounts to \$294,732 (net of accumulated depreciation). This investment in capital assets includes vehicles, furniture, and equipment.

Note 4 (Capital Assets) provides capital asset activity during 2013.

Major capital asset events during the current year included the following:

- The purchase of one vehicle.

Economic Factors and 2013 Budget

Clermont County experienced a downturn in residential growth in 2006 which continued through 2013. This correlates to a decrease in the number of permits and licenses. The Health District maintains a conservative approach to spending while maximizing its revenues. Current economic indicators show that the economy should remain at its current pace. The Health District has taken steps to compensate for the decrease in revenues as a result of down turned growth by leaving a sanitarian position in the Water and Waste Division and in Environmental Health vacant, and not fully staffing the WIC Peer Program. The Health District's portion of state-based program revenue will be affected by the fiscal year 2014 State budget bill. The Health District anticipates a similar amount of state based funding for 2014..

All of these factors were considered in the preparation of the Health District's 2015 budget. The Health District has increased its 2015 budget by 2.77% in an attempt to continue providing public health services with the revenue projection based on current economic factors.

Requests for Information

This financial report is designed to provide our citizens, creditors, and investors with a general overview of the Health District's finances and to show the Health District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Donna Hart, Clermont County General Health District, Fiscal Officer, 2275 Bauer Rd., Batavia, Ohio 45103, (513)732-7499, (email at cchealth@clermontcountyohio.gov) or visit the Health District website at www.clermonthhealthdistrict.org.

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Clermont County General Health District
Clermont County
Statement of Net Position
December 31, 2013

		Governmental Activities
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$	1,469,416
Furniture, Fixtures, and Equipment		843,416
Accumulated Depreciation		(548,684)
Total assets		1,764,148
LIABILITIES		
Accounts Payable		12,193
Accrued Wages and Benefits		54,500
Long-Term Liabilities:		
Due Within One Year		72,389
Due in More Than One Year		83,773
Total liabilities		222,855
NET POSITION		
Net investment in capital assets		294,732
Restricted for:		
Community Health		171,740
Environmental Health		444,673
Unrestricted		630,148
Total net position	\$	1,541,293

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

Clermont County General Health District
Clermont County
Statement of Activities
For the Year Ended December 31, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating Grants</u>	<u>Revenue and</u>
		<u>Services</u>	<u>and Contributions</u>	<u>Changes in Net</u>
				<u>Position</u>
				<u>Primary</u>
				<u>Government</u>
				<u>Governmental</u>
				<u>Activities</u>
Primary government:				
Governmental activities:				
Environmental Health	\$ 1,099,420	\$ 1,337,576	\$ 5,044	\$ 243,200
Community Health Services	914,980	95,796	338,417	(480,767)
Health Promotion and Planning	168,525	0	81,784	(86,741)
Administration	791,277	28,619	783,574	20,916
Total governmental activities	<u>2,974,202</u>	<u>1,461,991</u>	<u>1,208,819</u>	<u>(303,392)</u>
				1,844,685
				<u>\$ 1,541,293</u>
				<u>Net position - beginning</u>
				<u>Net position - ending</u>

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

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Clermont County General Health District
Clermont County
Balance Sheet
Governmental Funds
December 31, 2013

	<u>GENERAL FUND</u>	<u>FOOD SERVICE</u>	<u>IMMUNIZATION ACTION PLAN</u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 656,646	\$ 164,115	\$ 23,887
Interfund Receivable	145,891	0	0
Intergovernmental Receivable	0	0	0
Total assets	<u>\$ 802,537</u>	<u>\$ 164,115</u>	<u>\$ 23,887</u>
LIABILITIES			
Accounts Payable	\$ 804	\$ 391	\$ 264
Accrued Wages and Benefits	22,623	7,071	1,048
Interfund Payable	0	0	22,000
Total liabilities	<u>23,427</u>	<u>7,462</u>	<u>23,312</u>
FUND BALANCES (DEFICITS)			
Restricted for Grants	0	0	575
Restricted for Environmental Health	0	156,653	0
Restricted for Community Health	0	0	0
Assigned for Encumbrances	1,198	0	0
Unassigned	777,912	0	0
Total fund balances (deficits)	<u>779,110</u>	<u>156,653</u>	<u>575</u>
Total liabilities and fund balances (deficits)	<u>\$ 802,537</u>	<u>\$ 164,115</u>	<u>\$ 23,887</u>

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

<u>BIOTERRORISM GRANT</u>	<u>WIC ADMINISTRATION</u>	<u>SAFE COMMUNITIES</u>	<u>SEWAGE PROGRAM FUND</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 34,106	\$ 78,206	\$ 24,876	\$ 189,024	\$ 298,556	\$ 1,469,416
0	0	0	0	0	145,891
0	0	0	0	0	0
<u>\$ 34,106</u>	<u>\$ 78,206</u>	<u>\$ 24,876</u>	<u>\$ 189,024</u>	<u>\$ 298,556</u>	<u>\$ 1,615,307</u>
\$ 135	\$ 598	\$ 0	\$ 3,216	\$ 6,785	\$ 12,193
2,736	11,832	0	4,638	4,552	54,500
30,000	60,000	25,000	0	8,891	145,891
<u>32,871</u>	<u>72,430</u>	<u>25,000</u>	<u>7,854</u>	<u>20,228</u>	<u>212,584</u>
1,235	5,776	0	0	6,976	14,562
0	0	0	181,170	95,870	433,693
0	0	0	0	175,482	175,482
0	0	0	0	0	1,198
0	0	(124)	0	0	777,788
<u>1,235</u>	<u>5,776</u>	<u>(124)</u>	<u>181,170</u>	<u>278,328</u>	<u>1,402,723</u>
<u>\$ 34,106</u>	<u>\$ 78,206</u>	<u>\$ 24,876</u>	<u>\$ 189,024</u>	<u>\$ 298,556</u>	<u>\$ 1,615,307</u>

**Clermont County General Health District
Reconciliation of Balance Sheet
To the Statement of Net Position
December 31, 2013**

Fund balances of governmental funds	\$ 1,402,723
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	294,732
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	<u>(156,162)</u>
Net position of governmental activities	<u><u>\$ 1,541,293</u></u>

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

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Clermont County General Health District
Clermont County
Statement of Revenues, Expenditures and
Governmental Funds
For the Year Ended December 31, 2013

	<u>GENERAL FUND</u>	<u>FOOD SERVICE</u>	<u>IMMUNIZATION ACTION PLAN</u>
REVENUES			
Taxes	\$ 712	\$ 0	\$ 0
Charges for Services	263,436	0	0
Licenses and Permits	355,114	300,393	0
Intergovernmental	788,618	0	58,005
Other Revenue	19,381	0	0
Total revenues	<u>1,427,261</u>	<u>300,393</u>	<u>58,005</u>
EXPENDITURES			
Current:			
Environmental Health	428,911	332,335	0
Community Health Services	0	0	48,110
Health Promotion and Planning	0	0	0
Administration	812,422	0	0
Total expenditures	<u>1,241,333</u>	<u>332,335</u>	<u>48,110</u>
Excess (deficiency) of revenues over expenditures	<u>185,928</u>	<u>(31,942)</u>	<u>9,895</u>
OTHER FINANCING SOURCES			
Proceeds from the Sale of Capital Assets	929	0	0
Total other financing sources	<u>929</u>	<u>0</u>	<u>0</u>
Net change in fund balances	186,857	(31,942)	9,895
Fund balances - beginning	592,253	188,595	(9,320)
Fund balances - ending	<u>\$ 779,110</u>	<u>\$ 156,653</u>	<u>\$ 575</u>

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

BIOTERRORISM GRANT	WIC ADMINISTRATION	SAFE COMMUNITIES	SEWAGE PROGRAM FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 712
0	0	0	0	62,751	326,187
0	0	0	334,037	91,428	1,080,972
132,946	569,246	29,879	0	145,897	1,724,591
0	0	0	7	34,732	54,120
<u>132,946</u>	<u>569,246</u>	<u>29,879</u>	<u>334,044</u>	<u>334,808</u>	<u>3,186,582</u>
0	0	0	279,379	87,110	1,127,735
0	575,445	0	0	230,506	854,061
150,933	0	19,928	0	0	170,861
0	0	0	0	0	812,422
<u>150,933</u>	<u>575,445</u>	<u>19,928</u>	<u>279,379</u>	<u>317,616</u>	<u>2,965,079</u>
<u>(17,987)</u>	<u>(6,199)</u>	<u>9,951</u>	<u>54,665</u>	<u>17,192</u>	<u>221,503</u>
0	0	0	0	0	929
0	0	0	0	0	929
(17,987)	(6,199)	9,951	54,665	17,192	222,432
19,222	11,975	(10,075)	126,505	261,136	1,180,291
<u>\$ 1,235</u>	<u>\$ 5,776</u>	<u>\$ (124)</u>	<u>\$ 181,170</u>	<u>\$ 278,328</u>	<u>\$ 1,402,723</u>

**Clermont County General Health District
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances to the Statement of Activities
 For the Year Ended December 31, 2013**

Net change in fund balances - total governmental funds	\$	222,432
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Amounts reported for governmental activities in the statement of net position are different because:

Governmental Funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciatoin in the current period.

Capital outlay	16,684	
Depreciation expense	<u>(82,136)</u>	
		(65,452)

Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues and are unavailable in the governmental funds.

Intergovernmental Revenue	<u>(515,772)</u>
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Compensated Absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

	<u>55,400</u>
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Change in net position of governmental activities	\$	<u>(303,392)</u>
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The notes to financial statements are an integral part of this statement.

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Taxes	\$ 0	\$ 0	\$ 712	\$ 712
Charges for services	237,150	237,150	263,436	26,286
Licenses and permits	293,500	293,500	355,114	61,614
Intergovernmental	796,664	796,664	788,618	(8,046)
Other revenues	14,500	14,500	19,381	4,881
Total revenues	<u>1,341,814</u>	<u>1,341,814</u>	<u>1,427,261</u>	<u>85,447</u>
Expenditures:				
Current:				
Administration	827,092	826,886	808,773	18,113
Environmental health	518,260	517,734	440,093	77,641
Total expenditures	<u>1,345,352</u>	<u>1,344,620</u>	<u>1,248,866</u>	<u>95,754</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(3,538)</u>	<u>(2,806)</u>	<u>178,395</u>	<u>181,201</u>
Other financing sources (uses):				
Operating transfers (out)	(1,000)	(1,000)	0	1,000
Proceeds from the sale of capital assets	0	0	929	929
Total other financing sources (uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>929</u>	<u>1,929</u>
Net Change in Fund Balance	(4,538)	(3,806)	179,324	183,130
Fund balance at beginning of year	471,592	471,592	471,592	0
Prior year encumbrances appropriated	4,538	4,538	4,538	0
Fund balance at end of year	<u>\$ 471,592</u>	<u>\$ 472,324</u>	<u>\$ 655,454</u>	<u>\$ 183,130</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

Food Service Special Revenue Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Positive (Negative)</u>
Revenues:				
Licenses and permits	\$ 315,000	\$ 315,000	\$ 300,393	\$ (14,607)
Total revenues	<u>315,000</u>	<u>315,000</u>	<u>300,393</u>	<u>(14,607)</u>
Expenditures:				
Current:				
Environmental Health	315,000	340,500	329,671	10,829
Total expenditures	<u>315,000</u>	<u>340,500</u>	<u>329,671</u>	<u>10,829</u>
Net Change in Fund Balance	0	(25,500)	(29,278)	(3,778)
Fund balance at beginning of year	<u>193,392</u>	<u>193,392</u>	<u>193,392</u>	<u>0</u>
Fund balance at end of year	<u>\$ 193,392</u>	<u>\$ 167,892</u>	<u>\$ 164,114</u>	<u>\$ (3,778)</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

Immunization Action Plan Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 47,173	\$ 47,173	\$ 58,005	\$ 10,832
Total revenues	<u>47,173</u>	<u>47,173</u>	<u>58,005</u>	<u>10,832</u>
Expenditures:				
Current:				
Community health services	47,173	49,173	48,457	716
Total expenditures	<u>47,173</u>	<u>49,173</u>	<u>48,457</u>	<u>716</u>
Net Change in Fund Balance	0	(2,000)	9,548	11,548
Fund balance at beginning of year	<u>14,340</u>	<u>14,340</u>	<u>14,340</u>	<u>0</u>
Fund balance at end of year	<u>\$ 14,340</u>	<u>\$ 12,340</u>	<u>\$ 23,888</u>	<u>\$ 11,548</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

Bioterrorism Grant Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 133,090	\$ 133,090	\$ 132,946	\$ (144)
Total revenues	<u>133,090</u>	<u>133,090</u>	<u>132,946</u>	<u>(144)</u>
Expenditures:				
Current:				
Health planning and promotion	133,201	151,692	150,293	1,399
Total expenditures	<u>133,201</u>	<u>151,692</u>	<u>150,293</u>	<u>1,399</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(111)</u>	<u>(18,602)</u>	<u>(17,347)</u>	<u>1,255</u>
Fund balance at beginning of year	51,344	51,344	51,344	0
Prior year encumbrances appropriated	<u>111</u>	<u>111</u>	<u>111</u>	<u>0</u>
Fund balance at end of year	<u>\$ 51,344</u>	<u>\$ 32,853</u>	<u>\$ 34,108</u>	<u>\$ 1,255</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

WIC Administration Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 563,374	\$ 563,374	\$ 569,246	\$ 5,872
Total revenues	<u>563,374</u>	<u>563,374</u>	<u>569,246</u>	<u>5,872</u>
Expenditures:				
Current:				
Community health services	563,574	583,574	572,088	11,486
Total expenditures	<u>563,574</u>	<u>583,574</u>	<u>572,088</u>	<u>11,486</u>
Net Change in Fund Balance	(200)	(20,200)	(2,842)	17,358
Fund balance at beginning of year	80,648	80,648	80,648	0
Prior year encumbrances appropriated	200	200	200	0
Fund balance at end of year	<u>\$ 80,648</u>	<u>\$ 60,648</u>	<u>\$ 78,006</u>	<u>\$ 17,358</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

Safe Communities Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 29,879	\$ (12,121)
Other revenue				0
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>29,879</u>	<u>(12,121)</u>
Expenditures:				
Current:				
Health planning and promotion	42,000	42,000	20,584	21,416
Total expenditures	<u>42,000</u>	<u>42,000</u>	<u>20,584</u>	<u>21,416</u>
Net Change in Fund Balance	0	0	9,295	9,295
Fund balance at beginning of year	<u>15,580</u>	<u>15,580</u>	<u>15,580</u>	<u>0</u>
Fund balance at end of year	<u>\$ 15,580</u>	<u>\$ 15,580</u>	<u>\$ 24,875</u>	<u>\$ 9,295</u>

See accompanying notes to the basic financial statements

Clermont County General Health District
Clermont County
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

Sewage Program Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 385,000	\$ 385,000	\$ 334,036	\$ (50,964)
Other revenue	<u>0</u>	<u>0</u>	<u>7</u>	<u>7</u>
Total revenues	<u>385,000</u>	<u>385,000</u>	<u>334,043</u>	<u>(50,957)</u>
Expenditures:				
Current:				
Environmental Health	<u>385,047</u>	<u>385,047</u>	<u>276,047</u>	<u>109,000</u>
Total expenditures	<u>385,047</u>	<u>385,047</u>	<u>276,047</u>	<u>109,000</u>
Net Change in Fund Balance	(47)	(47)	57,996	58,043
Fund balance at beginning of year	130,982	130,982	130,982	0
Prior year encumbrances appropriated	<u>47</u>	<u>47</u>	<u>47</u>	<u>0</u>
Fund balance at end of year	<u>\$ 130,982</u>	<u>\$ 130,982</u>	<u>\$ 189,025</u>	<u>\$ 58,043</u>

See accompanying notes to the basic financial statements

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**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 1 – Reporting Entity

A five-member Board of Health four of who are appointed by the District Advisory Council and one appointed by the Licensing Council governs the Health District. The Board appoints a health commissioner and all employees of 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 basic financial statements present all activities for which the Health District is financially accountable.

As required by generally accepted accounting principles, the financial statements present the Health District (the primary government). The primary government includes all funds, departments and boards for which the Health District is financially accountable. The Health District does not have any component units.

Note 2 - Summary of Significant Accounting Policies

A. 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. Governmental activities generally are financed through payments from townships and villages, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the financial condition of the governmental activities for the District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Health District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular program.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing 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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)

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. Non-major funds are aggregated and presented in a single column.

B. 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 funds of the Health District are presented in one category; governmental.

Governmental Funds

Governmental funds are those through which all governmental functions of the Health District are financed. Governmental fund reporting focuses on the sources, use and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Health District's major governmental funds:

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 Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

WIC Administration Special Revenue Fund – The WIC Administration Special Revenue Fund accounts for federal grant monies for the Women, Infants and Children program.

Bioterrorism Special Revenue Fund – The Bioterrorism Special Revenue Fund accounts for federal grant monies for public health infrastructure and emergency planning efforts.

Sewage Program Special Revenue Fund – The Sewage Fund accounts for all permits, applications and basic system assessment fees for the residential sewage program.

Food Service Special Revenue Fund – The Food Service Fund accounts for all permits and services for the food service program.

Immunization Action Plan Special Revenue Fund – The Immunization Action Plan Special Revenue Fund accounts for federal grant monies for the immunization program efforts.

Safe Communities Special Revenue Fund – The Safe Communities Special Revenue Fund accounts for grant monies for traffic safety and educational efforts.

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds for the Health District are classified as internal service. The Health District currently does not have any proprietary funds.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included in the Statement of Net Position. The Statement of Activities presents increases (i.e., revenue) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues-Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Health District, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the Health District receives value without directly giving equal value in return include monies from villages, townships, and the City of Milford, grants,

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)

entitlements and donations. Revenue from township and village monies, grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Health District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Health District on a reimbursement basis.

On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: grants and charges for services.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The budget determines the amount of money that is needed from the townships, villages and the City of Milford. The certificate of estimated resources establishes a limit on the amount the Health District may appropriate. The appropriations resolution is the Health District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Health District. The legal level of control has been established by the Health District at the fund, department, and object level for all funds.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Health District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the County 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 budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Board of Health during the year.

F. Cash and Investments

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 Clermont County Auditor, Linda L. Fraley, 101 E Main St. 2nd Floor, Batavia, Ohio 45103, www.clermontauditor.org, (513) 732-7150.

G. Capital Assets

Capital assets, which include vehicles and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles	5-10
Furniture & Equipment	5-10

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)

H. Interfund Transactions

On fund financial statements, receivables and payables resulting from interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the statement of net position.

I. Compensated Absences

Vacation, personal and compensatory benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

Unused vacation is payable upon termination of employment. Employees with a minimum of 6 months of service and have been removed from probation become vested in accumulated unpaid vacation. Unused vacation is payable upon termination of employment. Unused sick time may be accumulated until retirement. Employees eligible to retire under a District recognized retirement plan, with a minimum of ten years of service, are paid one-fourth of accumulated sick time upon retirement. Such payment may not exceed the value of thirty days of accrued but unused sick leave. All sick, vacation, personal and compensation payments are made at employees' current wage rates.

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligation of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year.

K. Net Position

Net Position represent the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the Board of Health or 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. Net position restricted for other purposes are restricted by grantors and regulations of other governments.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Board 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 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. It also includes the long-term amount of interfund loans.

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 or enabling legislation (Board resolutions).

Enabling legislation authorizes the Board to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Board can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

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. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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 Board 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 or by State Statute.

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)

The Board 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.

M. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 – Budgetary Basis of Accounting

While the Health District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general and each major special revenue fund is presented in the Basic Financial Statements to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Advances in and advances out are operating transactions (Budget) as opposed to balance sheets transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

**Net Change in Fund Balance
General and Major Special Revenue Funds**

	<u>General</u>	<u>Bioterrorism</u>	<u>WIC Administration</u>	<u>Sewage Program</u>
GAAP Basis	\$ 186,857	\$ (17,987)	\$ (6,199)	\$ 54,665
Net Adjustment for Revenue Accruals	0	0	0	0
Net Adjustment for Expenditure Accruals	(7,533)	640	3,357	3,331
Net Adjustment for Advances	0	0	0	0
Budget Basis	<u>\$ 179,324</u>	<u>\$ (17,347)</u>	<u>\$ (2,842)</u>	<u>\$ 57,996</u>

	<u>Food Service</u>	<u>Immunization Action Plan</u>	<u>Safe Communities</u>
GAAP Basis	\$ (31,942)	\$ 9,895	\$ 9,951
Net Adjustment for Revenue Accruals	0	0	0
Net Adjustment for Expenditure Accruals	2,664	(347)	(656)
Net Adjustment for Advances	0	0	0
Budget Basis	<u>\$ (29,278)</u>	<u>\$ 9,548</u>	<u>\$ 9,295</u>

Note 4 - Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Balance 12/31/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2013</u>
Governmental Activities				
Capital Assets being depreciated:				
Furniture, Fixtures, and Equipment	\$ 868,925	\$ 16,683	\$ (42,192)	\$ 843,416
Total Capital Assets at Historical cost being depreciated	868,925	16,683	(42,192)	843,416
Less Accumulated Depreciation:				
Furniture, Fixtures, and Equipment	(508,741)	(82,135)	42,192	(548,684)
Total Accumulated Depreciation	(508,741)	(82,135)	42,192	(548,684)
Governmental Activities Capital Assets, Net	<u>\$ 360,184</u>	<u>\$ (65,452)</u>	<u>\$ 0</u>	<u>\$ 294,732</u>

Depreciation expense was charged to governmental functions as follows:

Environmental Health	\$7,401
Community Health Services	63,793
Health Promotion and Planning	8,920
Administration	2,021
Total Depreciation Expense - Governmental Activities	<u>\$82,135</u>

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 5 – Interfund Receivables/Payables

Individual fund interfund assets/liabilities balances as of December 31, 2013 related to the primary government were as follows:

	<u>Receivable</u>	<u>Payable</u>
General	\$145,891	
Bioterrorism Grant		\$30,000
WIC		60,000
Immunization Action Plan		22,000
Safe Communities		25,000
Nonmajor Governmental Funds		8,891
TOTAL	<u>\$145,891</u>	<u>\$145,891</u>

Note 6 – Amendments to Original Appropriations Budget

Amendments beyond the object level must be approved by the Board of Health. In 2013, the original appropriation measure was increased and decreased by the Board with the net effect as follows: General Fund \$ 0.00 and Special Revenue Funds \$109,203.

Note 7 - 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. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2012, PEP retained \$350,000 for casualty claims and \$150,000 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.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

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, 2012 and 2011 (the latest information available).

	<u>2012</u>	<u>2011</u>
Assets	\$34,389,569	\$33,362,404
Liabilities	(14,208,353)	(14,187,273)
Net Assets	<u>\$20,181,216</u>	<u>\$19,175,131</u>

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the District's share of these unpaid claims collectible in future years is approximately \$19,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2011	\$21,854
2012	\$22,562
2013	\$21,980

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP. They must 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 the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (OPERS) which is a public employee retirement system created by the State of Ohio. OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan - a cost sharing multiple-employer defined benefit pension plan;
- The Member-Directed Plan - 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 member and vested employer contributions plus any investment earnings.
- The Combined Plan - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension and Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits. The authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS, issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. The employee contribution rate for 2013 was 10.0% for employees. The 2013 employer contribution rate was 14.0% of covered payroll. The District's contributions to PERS for the years ended December 31, 2013, 2012 and 2011 were \$258,833; \$281,891; and \$288,723 respectively, 100% has been contributed for the above years, respectively.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

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

In order to qualify for post-retirement health care coverage, age and service retirees under the Tradition Pension and Combined Plans must have 10 or more years of qualifying Ohio service

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

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

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The 2013 employer contribution rate was 14.0% of covered payroll for employees. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for employees. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1% during calendar year 2013. The District's actual contributions for 2013 which were used to fund OPEB were \$18,481 for employees. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2% for both plans, as recommended by the OPERS Actuary. The OPERS Retirement Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Changes to the health care plan were adopted by the OPERS Retirement Board on September 19, 2012, with a transition commencing January 1, 2015. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Note 10 – Other Employee Benefits

Health District employees have the option of participating in four state-wide deferred compensation plans created in accordance with the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time. According to this plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) must be held in a trust, custodial account, or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Deferred amounts from the plan are not considered "made available" just because a trust, custodial

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2013

account or annuity contract holds these amounts. The Plan Agreement states that the County and the plan administrators have no liability for losses under the plan with the exception of fraud or wrongful taking.

Note 11 – 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 12 – Long-Term Liabilities

Long-term obligations of the Health District at December 31, 2013 were as follows:

	<u>Balance</u> <u>12/31/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Amounts Due</u> <u>In One Year</u>
Compensated Absences	\$211,562	\$25,054	\$80,454	\$156,162	\$72,389

Compensated absences will be paid from the fund from which the employee's salary is paid.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Health</i>				
Preventive Health and Health Services Block Grant - Injury Prevention	01310014IP0512	93.991	\$ 1,332	\$ 1,807
Preventive Health and Health Services Block Grant - Injury Prevention	01310014IP0613	93.991	67,750	58,813
Total Preventive Health and Health Services Block Grant - Injury Prevention			69,082	60,620
Immunization Grants	01310012IM0512	93.268	10,832	3,267
Immunization Grants	01310012IM0613	93.268	47,173	45,190
Total Immunization Grants			58,005	48,457
Public Health Emergency Preparedness Grant	01310012PH0413	93.069	69,809	91,803
Public Health Emergency Preparedness Grant	01310012PH0514	93.069	63,136	58,490
Total Public Health Emergency Preparedness Grant			132,945	150,293
Total U.S. Department of Health and Human Services			260,032	259,370
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Public Safety</i>				
State and Community Highway Safety Grant	SC-2013-13-00-00-00321-00	20.600	29,879	20,584
Total U.S. Department of Transportation			29,879	20,584
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program)	01310011WA0613	10.557	422,529	443,469
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program)	01310011WA0714	10.557	146,438	128,418
Total Special Supplemental Nutrition Program for Women, Infants and Children			568,967	571,887
Total U.S. Department of Agriculture			568,967	571,887
Total Federal Awards Receipts and Expenditures			\$ 858,878	\$ 851,841

The accompanying notes are an integral part of this schedule.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Clermont County General Health District's (the District's) federal award programs' receipts and 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

NOTE C – MEDICAID ADMINISTRATIVE CLAIMING ADJUSTMENTS

During the calendar year, the District received a deferred payment from the Ohio Department of Health (ODH) for the Medicaid Program (CFDA#93.778) in the amount of \$36,695.14. The deferred payment was for Medicaid administrative claiming (MAC) expenses of the District incurred in prior reporting periods due to federal funding received by ODH to reimburse these expenses and also due to changes in the District's Medicaid Eligibility Rate (MER) for certain activity codes within MAC. This revenue is not listed on the District's Schedule of Federal Awards since the underlying expenses are on a cost-reimbursement basis and occurred in prior reporting periods.



Dave Yost • Auditor of State

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

Clermont County General Health District
Clermont County
2275 Bauer Rd, Suite 300
Batavia, Ohio 45103

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clermont County General Health District, Clermont County, (the District) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 9, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

July 9, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Clermont County General Health District
Clermont County
2275 Bauer Rd, Suite 300
Batavia, Ohio 45103

To the Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited the Clermont County General Health District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Clermont County General Health District's major federal program for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Clermont County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

July 9, 2014

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(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 internal control weaknesses 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	No
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), CFDA#10.557
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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CLERMONT COUNTY GENERAL HEALTH DISTRICT

CLERMONT 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
JULY 24, 2014**