

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

Audit Report

Year Ended December 31, 2013





Dave Yost • Auditor of State

Board of Trustees
Greene County Combined Health District
360 Wilson Drive
P.O. Box 250
Xenia, Ohio 45385

We have reviewed the *Report of Independent Accountants* of the Greene County Combined Health District, Greene County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding For Recovery

The Board of Health approved the former Health Commissioner's contract for the period July 1, 2008 thru June 30, 2013 and last amended by Attachment 3 on September 6, 2012. The former Health Commissioner, per section III A.2.a., was to receive 37 days of paid vacation (annual leave). Per Section 4020 of the GCCHD Employee Manual, "No more than 30 days of Annual Leave may be accumulated for carry-over into the next year". Upon terminating his employment the former Health Commissioner was paid for his entire unused annual leave of 946 hours. Based on the contract of the former Health Commissioner and the policies governing Annual Leave, the Health Commissioner was entitled to receive 469 hours of annual leave payout upon his termination (30 days + 37 days = 67 days x 7 hour working days = 469 hours). The hours paid of 946 exceeded the hours due of 469 by 477 hours. The hourly pay rate at the time of termination of employment of the former Health Commissioner was \$65.29/hour. The amount overpaid to the former Health Commissioner upon termination was \$31,146.98.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Mark McDonnell, former Health Commissioner, in the amount of \$31,146 in favor of the Greene County Combined Health District General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex. Rel. Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att’y Gen. No. 80-074.

Current board member, Nancy Terwoord approved the former health commissioner’s termination leave payout. Accordingly, board member Nancy Terwoord will be jointly and severally liable in the amount of \$31,146 and in favor of the Greene County Combined Health District, to the extent that recovery is not obtained from Mark McDonnell.

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

Dave Yost
Auditor of State

September 17, 201

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
AUDIT REPORT
For the year ended December 31, 2013

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Greene County Combined Health District
360 Wilson Drive
P.O. Box 250
Xenia, Ohio 45385

To the Board of Trustees:

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Combined Health District, Greene County, Ohio, as of December 31, 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Clinic Health Services Fund and Health Education Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Supplemental and Other Information

We audited to opine on the District's financial statements that collectively comprise its basic financial statements. *Management's Discussion & Analysis* includes tables of net position, changes in net position and governmental activities. The Schedule of Federal Awards Expenditures (Schedule) is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These tables and the Schedule provide additional analysis and are not a required part of the basic financial statements.

These tables and the Schedule are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the Schedule are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 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.



Charles E. Harris & Associates, Inc.
June 18, 2014

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013 (UNAUDITED)**

This discussion and analysis of the Greene County Combined Health District's (the District) financial performance provides an overall review of the financial activities for the year ended December 31, 2013 within the limits of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2013 are as follows:

- Total net position increased by \$891,454 during 2013
- Most of the District's revenue was associated intergovernmental funding, from local, state and federal sources.

Using the Basic Financial Statements

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

Report Components

The statement of net position and the statement of activities provide information about District's cash position and the changes in cash position at the entity wide level. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in cash basis fund balances report the District's cash position and the changes in cash position by major fund. The statements of cash receipts, disbursements and changes in cash basis fund balance budget-and-actual-budget basis provides original and final budgeted amounts, with variances reflecting comparison of final budgeted amounts with actual receipts and expenditures. The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. These financial statements follow the cash basis of accounting.

The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts are recognized when received (in cash), rather than when earned, and disbursements when paid, rather than when a liability is incurred.

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013 (UNAUDITED)**

Reporting the Government as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2013 within the limits of cash basis accounting. The statement of net position presents the cash balances of the District at year end. The statement of activities presents the revenue and disbursement activity during 2013.

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

**TABLE 1
NET POSITION
DECEMBER 31, 2012**

	Governmental Activities 2013	Governmental Activities 2012
Assets:		
Equity in Pooled Cash and Cash Equivalents	<u>\$ 4,515,032</u>	<u>\$ 3,623,578</u>
Total Assets	<u>\$ 4,515,032</u>	<u>\$ 3,623,578</u>
Net Position:		
Restricted for:		
Other Purposes	\$ 1,089,187	\$ 1,382,965
Unrestricted	3,425,845	2,240,613
Total Net Position	<u>\$ 4,515,032</u>	<u>\$ 3,623,578</u>

As mentioned previously, net position increased by \$891,454 during 2013. The increase was primarily associated with funds restricted for specific grants and programs.

FUND FINANCIAL STATEMENTS REPORTING MAJOR FUNDS

The major funds of the District include the General Health Fund, Clinic Health Services Fund and Health Education Fund. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in cash basis fund balances report the District's cash position and the changes in cash position by major fund. Keeping the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial strength. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial strength is improving or deteriorating. When evaluating the District's financial condition, one should also consider other financial factors such as the reliance on non-local financial resources for operations and the need for continued growth in other local revenue sources.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013 (UNAUDITED)**

Table 2 reflects the changes in net position during 2013

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	Governmental Activities
	<u>2013</u>	<u>2012</u>
Receipts:		
Program Receipts:		
Charges for Services	\$ 1,665,235	\$ 1,590,073
Operating Grants	933,619	1,528,859
General Receipts:		
Property and Other Local Taxes	2,668,363	2,642,853
Subdivision Fees	121,970	121,970
Unrestricted Grants	375,823	431,426
Miscellaneous	<u>557,416</u>	<u>54,675</u>
Total Receipts	<u>6,322,426</u>	<u>6,369,856</u>
Disbursements:		
Public Health Services	<u>5,430,972</u>	<u>5,585,182</u>
Total Disbursements	<u>5,430,972</u>	<u>5,585,182</u>
Net Change in Net Position	891,454	784,674
Net Position, Beginning of Year	3,623,578	2,838,904
Net Position, End of Year	<u>\$ 4,515,032</u>	<u>\$ 3,623,578</u>

During 2013, the District's net change in position increased from \$784,674 in 2012 to \$891,454, in 2013, whereas receipts decreased nearly 1% from 2012 to 2103 and disbursements decreased nearly 3% from 2012 to 2103.

The District relies on diverse revenue streams to provide services to County residents. The District receives tax revenue generated from .8 mill property tax levy assessment and relies on intergovernmental revenue provided through federal, state and local grants. The largest category of disbursements was salaries and related benefits. The District employs approximately 63 full-time employees.

BUDGETARY HIGHLIGHTS

The District made numerous revisions to the original appropriation approved by the Board and the Board's fiscal agent, the Greene County Budget Commission. Overall, these changes resulted in little significant change in the fund balance. During 2012, the District spent about 90% of the amount appropriated in the General Fund. The District's 2013 financial statements include budgetary statements for the General Fund, Clinic Health Services Fund (CHS) and Health Education Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District currently tracks its capital assets. However, since the financial statements are presented on a cash basis, none of these assets are reflected on the District's financial statements. Instead, the acquisitions of property, plant and equipment are recorded as disbursements when paid.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013 (UNAUDITED)**

Debt

The District has no debt obligations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it received.

Questions concerning any of the information in this report or requests for additional information should be directed to:

Melissa Howell, MS, MBA, MPH, RN, RS
Health Commissioner
Greene County Combined Health District
Xenia, OH 45385
Phone Number (937) 374-5628

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2013

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 4,515,032
Total Assets	<u>4,515,032</u>
<u>Net Position</u>	
Restricted For:	
Other Purposes	1,089,187
Unrestricted	3,425,845
Total Net Position	<u>\$ 4,515,032</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Program Cash Receipts</u>			<u>Net (Disbursements)</u>
	<u>Cash</u>	<u>Charges for</u>	<u>Operating</u>	<u>Receipts and</u>
Governmental Activities	<u>Disbursements</u>	<u>Services</u>	<u>Grants and</u>	<u>Changes in Net Position</u>
			<u>Contributions</u>	
Public Health Services	<u>\$ 5,430,972</u>	<u>\$ 1,665,235</u>	<u>\$ 933,619</u>	<u>\$ (2,832,118)</u>
		<u>General Receipts:</u>		
				2,668,363
				121,970
				375,823
				<u>557,416</u>
				<u>3,723,572</u>
				891,454
				<u>3,623,578</u>
				<u>\$ 4,515,032</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

COMBINED STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	<u>General</u>	<u>Clinic Health Services Fund</u>	<u>Health Education Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 3,425,845	\$ 83,324	\$ 102,002	\$ 903,861	\$ 4,515,032
Total Assets	<u>3,425,845</u>	<u>83,324</u>	<u>102,002</u>	<u>903,861</u>	<u>4,515,032</u>
<u>Fund Balances</u>					
Restricted	-	83,324	102,002	903,861	1,089,187
Assigned	20,607	-	-	-	20,607
Unassigned	3,405,238	-	-	-	3,405,238
Total Fund Balances	<u>\$ 3,425,845</u>	<u>\$ 83,324</u>	<u>\$ 102,002</u>	<u>\$ 903,861</u>	<u>\$ 4,515,032</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	<u>General</u>	<u>Clinic Health Services Fund</u>	<u>Health Education Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
RECEIPTS					
Property and Other Local Taxes	\$ 2,668,363	-	-	-	\$ 2,668,363
Subdivision fees	121,970	-	-	-	121,970
Fees, Licenses & Permits	184,981	\$ 112,249	\$ -	\$ 1,134,347	1,431,577
Contractual Services	233,658	-	-	-	233,658
Federal Grants	-	-	-	854,239	854,239
State Grants	375,823	-	49,380	-	425,203
Local Grants	-	-	-	30,000	30,000
Miscellaneous	104,097	4,079	430,484	18,756	557,416
Total Receipts	<u>3,688,892</u>	<u>116,328</u>	<u>479,864</u>	<u>2,037,342</u>	<u>6,322,426</u>
DISBURSEMENTS					
Current:					
Public Health Services					
Salaries	897,264	388,885	336,294	1,523,403	3,145,846
Materials & Supplies	50,246	64,910	34,855	107,574	257,585
Remittance to State	101,729	-	-	123,540	225,269
Equipment and Vehicles	67,832	5,643	24,709	16,182	114,366
Contracts - Repairs	3,446	-	-	1,767	5,213
Contracts - Services	45,797	5,590	14,604	187,146	253,137
Travel and Training	15,377	2,466	18,919	17,113	53,875
Advertising and Printing	2,669	1,061	29,083	16,653	49,466
Public Employees' Retirement	116,424	53,083	46,883	211,307	427,697
Worker's Compensation	15,883	7,729	8,835	34,884	67,331
Utilities	10,969	4,389	5,187	21,339	41,884
Insurance	139,341	63,559	103,763	334,098	640,761
Other	47,593	10,053	25,513	65,383	148,542
Total Disbursements	<u>1,514,570</u>	<u>607,368</u>	<u>648,645</u>	<u>2,660,389</u>	<u>5,430,972</u>
Excess of Receipts Over (Under) Disbursements	2,174,322	(491,040)	(168,781)	(623,047)	891,454
Other Financing Sources (Uses)					
Transfers In	15,913	480,000	100,000	425,000	1,020,913
Transfers Out	<u>(1,005,000)</u>	<u>-</u>	<u>-</u>	<u>(15,913)</u>	<u>(1,020,913)</u>
Total Other Financing Sources (Uses)	<u>(989,088)</u>	<u>480,000</u>	<u>100,000</u>	<u>409,087</u>	<u>-</u>
Net Change in Fund Balances	1,185,235	(11,040)	(68,781)	(213,960)	891,454
Fund Balances Beginning of Year	<u>2,240,610</u>	<u>94,364</u>	<u>170,783</u>	<u>1,117,821</u>	<u>3,623,578</u>
Fund Balances End of Year	<u>\$ 3,425,845</u>	<u>\$ 83,324</u>	<u>\$ 102,002</u>	<u>\$ 903,861</u>	<u>\$ 4,515,032</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
State Grants	\$ -	\$ -	\$ 375,823	\$ 375,823
Subdivision Fees	121,970	121,970	121,970	-
Tax Levies	2,550,000	2,623,039	2,668,363	45,324
Licenses, Permits, & Fees	170,000	170,000	184,981	14,981
Contractual Services	233,658	233,658	233,658	-
Miscellaneous	355,000	433,847	104,097	(329,750)
Total Receipts	<u>3,430,628</u>	<u>3,582,514</u>	<u>3,688,892</u>	<u>106,379</u>
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	913,200	913,200	897,264	15,936
Materials & Supplies	39,869	59,869	52,106	7,764
Remittance to State	120,000	120,000	101,729	18,271
Equipment and Vehicles	101,260	101,260	71,657	29,603
Contracts - Repairs	15,500	14,500	3,446	11,054
Contracts - Services	128,754	128,754	53,803	74,951
Travel and Training	18,879	18,879	16,826	2,053
Advertising and Printing	30,799	30,799	7,704	23,095
Public Employees' Retirement	127,848	142,848	116,424	26,424
Worker's Compensation	18,265	18,265	15,883	2,382
Utilities	15,288	15,288	10,969	4,319
Insurance	135,938	159,938	139,421	20,517
Other	92,945	93,945	47,946	45,999
Total Disbursements	<u>1,758,545</u>	<u>1,817,545</u>	<u>1,535,176</u>	<u>282,368</u>
Excess of Receipts Over (Under) Disbursements	1,672,083	1,764,969	2,153,716	388,747
Other Financing Sources (Uses)				
Transfers Out	(1,845,000)	(1,786,000)	(1,005,000)	781,000
Transfers In	-	-	15,913	15,913
Total Other Financing Sources (Uses)	<u>(1,845,000)</u>	<u>(1,786,000)</u>	<u>(989,088)</u>	<u>796,913</u>
Net Change in Fund Balances	(172,917)	(21,031)	1,164,628	1,185,659
Fund Balance Beginning of Year	2,225,716	2,225,716	2,225,716	-
Prior Year Encumbrances Appropriated	14,894	14,894	14,894	-
Fund Balance End of Year	<u>\$ 2,067,693</u>	<u>\$ 2,219,579</u>	<u>\$ 3,405,238</u>	<u>\$ 1,185,660</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CLINIC HEALTH SERVICES FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
RECEIPTS				
Licenses, Permits, & Fees	\$ 79,000	\$ 79,000	\$ 112,249	\$ 33,249
Miscellaneous	-	-	4,077	4,077
Total Receipts	<u>79,000</u>	<u>79,000</u>	<u>116,326</u>	<u>37,326</u>
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	365,603	392,603	388,885	3,718
Materials & Supplies	64,128	67,101	65,730	1,371
Equipment and Vehicles	15,925	7,425	5,643	1,782
Contracts - Repair	500	-	-	-
Contracts - Services	8,950	8,950	5,790	3,160
Travel and Training	6,635	5,335	2,966	2,369
Advertising and Printing	1,084	3,099	1,801	1,298
Public Employees' Retirement	51,659	59,659	53,083	6,577
Worker's Compensation	7,312	7,729	7,729	-
Utilities	8,812	8,667	4,389	4,278
Insurance	57,114	63,944	63,559	385
Other	9,935	12,335	10,143	2,192
Total Disbursements	<u>597,657</u>	<u>636,847</u>	<u>609,716</u>	<u>27,130</u>
Excess of Receipts Over (Under) Disbursements	(518,657)	(557,847)	(493,390)	64,456
Other Financing Sources (Uses)				
Transfers In	<u>520,000</u>	<u>520,000</u>	<u>480,000</u>	<u>(40,000)</u>
Total Other Financing Sources (Uses)	<u>520,000</u>	<u>520,000</u>	<u>480,000</u>	<u>(40,000)</u>
Net Change in Fund Balances	1,344	(37,847)	(13,390)	24,456
Fund Balance Beginning of Year	86,720	86,720	86,720	-
Prior Year Encumbrances Appropriated	<u>7,644</u>	<u>7,644</u>	<u>7,644</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 95,708</u>	<u>\$ 56,518</u>	<u>\$ 80,974</u>	<u>\$ 24,456</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
HEALTH EDUCATION FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
RECEIPTS				
State Grants	\$ 20,000	\$ 20,000	\$ 49,380	\$ 29,380
Miscellaneous	394,583	394,583	430,484	35,901
Total Receipts	<u>414,583</u>	<u>414,583</u>	<u>479,864</u>	<u>65,281</u>
DISBURSEMENTS				
Current:				
Public Health Services				
Salaries	373,665	373,665	336,294	37,371
Materials & Supplies	39,419	39,419	35,760	3,659
Equipment and Vehicles	27,000	27,000	25,309	1,691
Contracts - Repair	500	500	-	500
Contracts - Services	15,500	15,500	14,604	896
Travel and Training	24,225	24,225	21,119	3,106
Advertising and Printing	30,790	30,790	29,358	1,432
Public Employees' Retirement	64,863	64,863	46,883	17,980
Worker's Compensation	8,835	8,835	8,835	-
Utilities	7,670	7,670	5,187	2,483
Insurance	157,342	157,342	103,764	53,578
Other	47,135	47,135	25,697	21,438
Total Disbursements	<u>796,944</u>	<u>796,944</u>	<u>652,810</u>	<u>144,134</u>
Excess of Receipts Over (Under) Disbursements	(382,361)	(382,361)	(172,946)	209,415
Other Financing Sources (Uses)				
Transfers In	350,000	350,000	100,000	(250,000)
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>100,000</u>	<u>(250,000)</u>
Net Change in Fund Balances	(32,361)	(32,361)	(72,946)	(40,585)
Fund Balance Beginning of Year	156,132	156,132	156,132	-
Prior Year Encumbrances Appropriated	14,651	14,651	14,651	-
Fund Balance End of Year	<u>\$ 138,422</u>	<u>\$ 138,422</u>	<u>\$ 97,837</u>	<u>\$ (40,585)</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

1. DESCRIPTION OF THE COMBINED HEALTH DISTRICT AND REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Greene County Combined Health District, (the District), as a body corporate and politic. A thirteen-member Board and Health Commissioner govern the District which provides health services in all of Greene County, including cities, villages, and townships.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations ensuring that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. They comprise the District's legal entity, which provides services associated with immunization, vital statistics, health related licenses and permits, disease prevention and control, and public health nursing.

The Greene County Commissioners are the taxing authority for the District. The Greene County Auditor and the Greene County Treasurer are responsible for fiscal control of the resources of the District.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements follow the cash basis of accounting. The District's Basic Financial Statements consists of government-wide 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.

1. Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government.

The Statement of Net Position presents the financial condition of the governmental activities of 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 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 function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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 revenues of the District.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

2. Fund Financial Statements

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

3. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District utilizes the governmental category of funds.

Governmental Funds

Governmental funds are those through which all governmental functions of the District typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the District's major governmental funds:

General Fund – This fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Clinic Health Services Fund – This fund is used to account for revenue received and expended for the following activities: Bureau for Children with Medical Handicaps (BCMh), health supervision, specialty clinics-hearing and vision, communicable disease program and other primary care programs.

Health Education Fund – This fund is used to account for grants received and expended for community services such as HIV & Aids education and prevention and Help Me Grow services.

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

The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

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

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

B. Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

C. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the District uses.

D. Long-term Debt Obligations

The District did not have any bonds or other long-term obligations.

E. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The 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.

F. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The budgetary basis reports expenditures when commitments are made (i.e. when an encumbrance is approved). The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate. The appropriation resolution is the District's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the District. The legal level of budgetary control has been established by District at the fund and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director. 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 final amended certificate of estimated certificate of amended resources in effect at the time final appropriations were passed by District.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for 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 District during the year.

Budget versus actual statements for major funds are presented as part of the financial statements.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payment for unused leave. Unpaid leave is not reflected as liability under the basis of accounting the District uses.

H. Fund Balances

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

Nonspendable

The nonspendable fund balance 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.

Restricted

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

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a 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. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted 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, which includes giving the Director of Administrative Services the authority to constrain monies for intended purposes.

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.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fund Balances (Continued)

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or 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.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis presented for the General, Clinic Health Services and Health Education funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as Assigned, Committed or Restricted fund balance (cash basis). During 2013, the encumbrances outstanding at year end (budgetary basis) amounted to \$20,607 for the General Fund, \$2,350 for the Clinic Health Services Fund and \$4,165 for the Health Education Fund.

4. CASH AND CASH EQUIVALENTS

The Greene County Commissioners maintain a cash pool used by all of the County’s funds, including those of the Combined Health District. The Ohio Revised Code prescribes allowable deposits and investments. At year-end, the carrying amount of the District’s deposits with the Greene County Commissioner was \$4,515,032 The Greene County Board of Commissioners, as the fiscal agent for the District, is responsible for maintaining adequate depository collateral for all funds in the County’s pooled cash and deposits accounts.

5. PROPERTY TAXES

The Greene County Commissioners serve as a special taxing authority to levy a special levy outside the property tax ten-mill limitation to provide the District with sufficient funds to carry out health programs and general operations. The County Commissioners have placed a countywide levy of .8 mills on the ballot that gained approval by the electors of the county.

6. INTERFUND BALANCES

Unpaid interfund cash advances at December 31, 2013 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 242,501	\$ -0-
Clinic Health Services Fund	118,439	-0-
Other Governmental Funds	-0-	360,940
Total	<u>\$ 360,940</u>	<u>\$ 360,940</u>

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

7. INTERFUND TRANSFERS

The District transferred cash for grant reimbursement purposes due to the timing of the receipt of grant monies during 2013, see below:

Funds	From	To
General Fund	\$1,005,000	\$ 15,913
Clinic Health Services Fund	-0-	480,000
Health Education Fund	-0-	100,000
Other Governmental Funds	15,913	425,000
Total	<u>\$1,020,913</u>	<u>\$1,020,913</u>

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

The general fund transfers to other governmental funds were made to provide additional resources for current operations and capital improvements. Transfer from Other Governmental Funds to the General Fund was the result of a fund closing.

8. 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.

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	<u>(14,208,353)</u>	<u>(14,187,273)</u>
Retained Earnings	<u>\$20,181,216</u>	<u>\$19,175,131</u>

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

8. RISK MANAGEMENT – (Continued)

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13.0 of estimated incurred claims payable. The assets and retained earnings above include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2012 and 2011, respectively. PEP will collect these amounts in the future annual premium billings when PEP's related liabilities are due for payment. As of December 31, 2012 the District's share of these unpaid claims collectible in future years is \$31,000.

Based on discussion 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 each year of the membership.

<u>Contributions to PEP</u>	
▪ 2012	\$ 35,870
▪ 2011	33,905

Members may withdraw in each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of their anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus subsequent year's premium. Also, upon withdrawal, payments of all property and casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Settled claims have not exceeded this coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year. The District also provides health insurance, dental, and vision coverage to full-time employees through a private carrier.

9. PENSION OBLIGATIONS

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as follows: The Traditional Pension Plan – a cost sharing, multiple-employer defined 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% 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, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by 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. 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 <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, Oh 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. While members in state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

9 PENSION OBLIGATIONS – (Continued)

The 2013 member contribution rates were 10.0% of covered payroll for members in state and local classifications. The 2013 employer contribution rate for state and local employers was 14.0% for covered payroll. The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$427,697, \$451,232 and \$414,280, respectively; 100 percent has been contributed for all three years.

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

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

In order to qualify for post-employment health coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan 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 <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, Oh 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0% of covered payroll. These are the maximum employer contributions rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

The rates stated above are the contractually required contribution rates for OPERS. The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$30,537, \$128,601 and \$118,360, respectively; 100 percent has been contributed for all years.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and approved health care changes, OPERS expects to be able to consistently allocated 4 percent of the employer contributions toward the health care fund after the end of the transition period.

11. CONTINGENCIES

A. Litigation

The District may be a party to litigation. Although the outcome of the litigation is not presently determinable, management believes the resolution of these matters will not materially adversely affect the District's financial condition.

B. Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

12. CONTRACTUAL COMMITMENTS

During the year-ended December 31, 2013, the District had \$253,639.67 in contractual commitments for services provided. Some of the following commitments were funded by federal and state programs.

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

VENDORS/CONTRACTORS	AMOUNT
CHC Software, Inc.	\$ 4,871.07
Stericycle, Inc.	\$ 7,941.74
Quadax Inc.	\$ 1,215.60
Greene Inc	\$ 131.50
Miami Valley Interpreters	\$ 1,127.00
Greene Memorial Hospital	\$ 5,148.00
W.S. Electronics	\$ 1,808.58
United Parcel Service	\$ 1,225.97
Key Equipment Finance	\$ 2,258.59
Canon Financial Services	\$ 7,237.36
Snyder Solution	\$ 490.00
Waste Management-Ohio	\$ 3,435.35
Downes, Fishel, Hass, Kim LLP.	\$ 1,955.37
Mid-American Cleaning	\$ 2,400.00
Greene County Parks & Trails	\$ 3,474.76
Greene County Dept. of Job & Family Services	\$ 252.00
Terry Simmon's Lawn Service	\$ 2,000.00
K&D Carpet Cleaning	\$ 900.00
Aaron's Tree & Landscaping	\$ 1,050.00
Mike McCoy Catering	\$ 2,316.00
Zashin & Rich Co., LLP	\$ 975.40
Signs Now	\$ 2,646.50
Denise Beauchamp, CPA	\$ 800.00
Wright State University	\$ 5,520.00
Shiver Security Systems	\$ 649.98
Robert Dillaplain	\$ 6,240.00
Emerge, Inc	\$ 5,700.00
Carlton Movers	\$ 750.00
Cintas Dayton	\$ 2,700.17
Cirrus Concept Consulting	\$ 121,522.10
Staffmark/ CBS Personnel	\$ 11,839.15
Chapel Electronic Co.	\$ 1,739.42
Key Sports	\$ 963.40
Family Services Association	\$ 459.26
Katherine Lin, MD	\$ 9,046.67
Jennifer Frey, MD	\$ 364.78
CompuNet Clinical Labs	\$ 9,012.65
Clinton Memorial Hospital	\$ 1,500.00
Lawrence Amesse	\$ 5,156.30
Kathleen Peterson	<u>\$ 500.00</u>
SUBTOTAL	<u>\$ 239,324.67</u>

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

12. CONTRACTUAL COMMITMENTS

<u>VENDORS/CONTRACTORS</u>	<u>AMOUNT</u>
James Bembry, MD	\$ 4,807.24
Keith Watson, MD	\$ 3,777.97
WSLH Proficiency Testing	\$ 255.00
Treasurer of State DAS Financial	\$ 1,200.00
Greene County Emergency Management	\$ 1,039.58
IHS Pharmacy	\$ 1,561.21
Univ. Medical Services	\$ 1,586.00
Kettering Radiologist	\$ 88.00
SUBTOTAL	<u>\$ 14,315.00</u>
TOTAL OF CONTRACTUAL COMMITMENTS	<u>\$ 253,639.67</u>

13. FUND BALANCES

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

Funds	Restricted	Assigned	Unassigned	Total
Restricted for:				
Solid Waste	\$ 65,387	\$ -	\$ -	\$65,387
Water Program	13,269	-	-	13,269
Swimming Pool	36,153	-	-	36,153
RV Mobile Home Parks	27,141	-	-	27,141
Tuberculosis	77,037	-	-	77,037
Dental	46,842	-	-	46,842
Safe Communities	36,428	-	-	36,428
Food Service	87,071	-	-	87,071
Environmental Plumbing Inspection	130,869	-	-	130,869
Infant Immunization	40,894	-	-	40,894
WIC	106,093	-	-	106,093
Pub. Health Preparedness	99,327	-	-	99,327
CFHSP	54,263	-	-	54,263
Reproductive Health	<u>83,087</u>	=	=	<u>83,087</u>
Total Other Governmental Funds	<u>903,861</u>	=	=	<u>903,861</u>
Clinic Health Service	83,324	-	-	83,324
Health Education	102,002	-	-	102,002
General Fund	=	<u>20,607</u>	<u>3,405,238</u>	<u>3,425,845</u>
Total Fund Balances	<u>\$1,089,187</u>	<u>\$20,607</u>	<u>\$3,405,238</u>	<u>\$4,515,032</u>

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

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

Federal Grantor / Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed through Ohio Department of Health - WIC	2910011WA06-13	10.557	\$ 368,614
	2910011WA07-14		73,250
Total for United States Department of Agriculture			<u>441,864</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Passed through Ohio Department of Public Safety - Safe Communities	SC201329000000341	20.600	28,341
Total for United States Department of Transportation			<u>28,341</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Ohio Department of Health			
Centers for Disease Control & Prevention - Investigation & Technical Assistance	2910012PH04-13	93.069	73,162
Public Health Emergency Preparedness	2910012PH05-14		55,577
Total			<u>128,739</u>
Reproductive Health and Wellness	2910011RH02-13	93.217	90,203
	2910011RH03-14		43,555
Total			<u>133,758</u>
Child and Family Health Services	2910011MC06-13	93.994	40,400
	2910011MC07-14		20,200
Total			<u>60,600</u>
Centers for Disease Control & Prevention - Immunization Grant	2910012PH04-13	93.268	39,770
Total			<u>39,770</u>
Passed through Wright State University			
Substance Testing and Education Program Using Prevention	1479SP017356-13	93.243	65,835
	1479SP017356-14		12,406
Total			<u>78,241</u>
Passed through City Portsmouth, Ohio			
HIV Prevention Activities	263-440-5283-12	93.940	13,605
	263-440-5283-13		35,775
			<u>49,380</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES - Direct Award			
Food & Drug Administration - National Food Regulatory Program		93.448	2,500
			<u>2,500</u>
Total for United States Department of Health and Human Services			<u>492,988</u>
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Ohio Department of Health			
Help Me Grow	2910012PH04-13	84.181	162,537
			<u>162,537</u>
Total for United States Department of Education			<u>162,537</u>
Total Federal Assistance			<u>\$ 1,125,730</u>

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditure (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

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

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Greene County Combined Health District
360 Wilson Drive
P.O. Box 250
Xenia, Ohio 45385

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 Greene County Combined Health District, Greene 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 June 18, 2014, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting that we consider a material weakness.

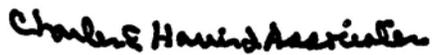
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies 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. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

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

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 18, 2014

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Greene County Combined Health District
360 Wilson Drive
P.O. Box 250
Xenia, Ohio 45385

To the Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited the Greene County Combined Health District's, Greene County (District), compliance with the applicable requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended December 31, 2013. The summary of auditor's results section of 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 major federal program.

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 assurance 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 on the District's compliance.

Opinion on the Major Federal Program

In our opinion, the 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.



Charles E. Harris & Associates, Inc.

June 18, 2014

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505**

**GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
December 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	Yes
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	CFDA # 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: All Others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

SCHEDULE OF FINDINGS – (continued)
OMB CIRCULAR A-133 SECTION .505

GREENE COUNTY COMBINED HEALTH DISTRICT
GREENE COUNTY
DECEMBER 31, 2013

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (continued)

FINDING NUMBER 2013-001
Material Weakness

The Board of Health approved the former Health Commissioner’s contract on July 1, 2009 and last amended by Attachment 3 on September 6, 2012. The former Health Commissioner, per section III A. 2)a. was to receive 37 days of paid vacation (annual leave). Per Section 4020 of the GCCHD Employee Manual, “No more than 30 days of Annual Leave may be accumulated for carry-over into the next year”. Upon terminating his employment the former Health Commissioner was paid for his entire unused annual leave of 946 hours. Based on the contract of the former Health Commissioner and the policies governing Annual Leave, the Health Commissioner was entitled to receive 469 hours of annual leave payout upon his termination. The hours paid of 946 exceeded the hours due of 469 by 477 hours. The hourly pay rate at the time of termination of employment of the former Health Commissioner was \$65.29. Thus the amount overpaid to the former Health Commissioner upon termination was \$31,146.98. This matter has been communicated to the Ohio Auditor of State.

We recommend that the Finance Committee of the Board review every employee accumulated leave payout prior to the final transaction and formally approve payouts in accordance with existing policies.

Official’s Response:

The District did update its leave policies to make it clear that the Health Commissioner will follow the same payout rules as other employees.

3. Findings for Federal Awards

None

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2012, reported no material citations or recommendations.



Dave Yost • Auditor of State

GREENE COUNTY COMBINED HEALTH DISTRICT

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2014**