

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**Audit Report**

**Year Ended December 31, 2014**







# Dave Yost • Auditor of State

Members of the Board  
General Health District  
219 E. Market Street  
Lima, Ohio 45802

We have reviewed the *Report of Independent Accountants* of the General Health District, Allen County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. 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.

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 General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

June 8, 2015

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**GENERAL HEALTH DISTRICT  
ALLEN COUNTY  
AUDIT REPORT**  
For the year ended December 31, 2014

Table of Contents

| <u>Title</u>                                                                                                                                                                                       | <u>Page</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Report of Independent Accountants.....                                                                                                                                                             | 1-2         |
| Management’s Discussion and Analysis.....                                                                                                                                                          | 3-6         |
| Statement of Net Position – Cash Basis - December 31, 2014 .....                                                                                                                                   | 7           |
| Statement of Activities – Cash Basis - For the Year Ended December 31, 2014 .....                                                                                                                  | 8           |
| Statement of Cash Basis Assets and Fund Balances - December 31, 2014 .....                                                                                                                         | 9           |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis<br>Fund Balances - For the Year Ended December 31, 2014 .....                                                            | 10          |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balance –<br>Budget and Actual – Budget Basis - General Fund - For the Year Ended December 31, 2014 .....                      | 11          |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balance –<br>Budget and Actual – Budget Basis – Women, Infants and Children Fund<br>For the Year Ended December 31, 2014.....  | 12          |
| Notes to the Financial Statements.....                                                                                                                                                             | 13-24       |
| Schedule of Federal Awards Expenditures.....                                                                                                                                                       | 25          |
| Notes to the Schedule of Federal Awards Expenditures.....                                                                                                                                          | 26          |
| Independent Accountants’ Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....                         | 27-28       |
| Independent Accountants’ Report on Compliance With Requirements Applicable to Each<br>Major Federal Program and on Internal Control Over Compliance Required<br>by <i>OMB Circular A-133</i> ..... | 29-30       |
| Schedule of Findings .....                                                                                                                                                                         | 31-32       |
| Status of Prior Audit’s Citations and Recommendations.....                                                                                                                                         | 33          |

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

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## **REPORT OF INDEPENDENT ACCOUNTANTS**

General Health District  
Allen County  
P.O. Box 1503  
219 E. Market Street  
Lima, Ohio 45802

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 General Health District, Allen County, Ohio (the District), as of and for the year ended December 31, 2014, 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 General Health District, Allen County, Ohio, as of December 31, 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund and Women, Infants and Children 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. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

***Supplemental and Other Information***

We audited to opine on the District's financial statements that collectively comprise its basic financial statements. The Schedule of Federal Awards Expenditures (Schedule) 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We applied no procedures to the Management's Discussion & Analysis presented on pages 3-6 of the report, and accordingly, we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2015 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.***  
April 2, 2015

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)**

This discussion and analysis of the Allen County General Health District's (the District) financial performance provides an overall review of the financial activities for the year ended December 31, 2014 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 2014 are as follows:

- Total net position increased by \$99,138 during 2014.
- Most of the District's revenue was associated with intergovernmental funding, from local, state and federal sources.
- The District's total disbursements decreased by 3% during 2014.

**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 the 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.

**Reporting the Government as a Whole**

The statement of net position and the statement of activities reflect how the District did financially during 2014 within the limits of the 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 2014.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)**

Table 1 provides a summary of the District's net position for 2014 compared to 2013.

**TABLE 1  
NET POSITION  
DECEMBER 31, 2014**

|                                            | Governmental<br>Activities<br><u>2014</u> | Governmental<br>Activities<br><u>2013</u> |
|--------------------------------------------|-------------------------------------------|-------------------------------------------|
| Assets:                                    |                                           |                                           |
| Equity in Pooled Cash and Cash Equivalents | \$ <u>695,270</u>                         | \$ <u>596,132</u>                         |
| Total Assets                               | \$ <u>695,270</u>                         | \$ <u>596,132</u>                         |
| Net Position:                              |                                           |                                           |
| Restricted for:                            |                                           |                                           |
| Other Purposes                             | \$ 108,410                                | \$ 155,845                                |
| Unrestricted                               | <u>586,860</u>                            | <u>440,287</u>                            |
| Total Net Position                         | <u>\$ 695,270</u>                         | <u>\$ 596,132</u>                         |

As mentioned previously, net position increased by \$99,138 during 2014. 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 and the Women, Infants and Children 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 the District's financial strength is improving or deteriorating. When evaluating the District's financial condition, you 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.

Table 2 reflects the changes in net position during 2014.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)**

**TABLE 2  
CHANGE IN NET POSITION**

|                                 | <b>Governmental Activities<br/><u>2014</u></b> | <b>Governmental Activities<br/><u>2013</u></b> |
|---------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Receipts:</b>                |                                                |                                                |
| Program Receipts:               |                                                |                                                |
| Charges for Services            | \$ 1,488,296                                   | \$ 1,287,900                                   |
| Operating Grants                | 1,431,331                                      | 1,545,307                                      |
| General Receipts:               |                                                |                                                |
| Subdivision Fees                | 671,502                                        | 671,502                                        |
| Miscellaneous                   | <u>14,037</u>                                  | <u>32,944</u>                                  |
| Total Receipts                  | <u>3,605,166</u>                               | <u>3,537,653</u>                               |
| <b>Disbursements:</b>           |                                                |                                                |
| Public Health Services          | 3,428,675                                      | 3,525,509                                      |
| Debt Service:                   |                                                |                                                |
| Principal                       | 41,350                                         | 34,568                                         |
| Interest                        | <u>36,003</u>                                  | <u>37,879</u>                                  |
| Total Disbursements             | <u>3,506,028</u>                               | <u>3,597,956</u>                               |
| Net Change in Net Position      | 99,138                                         | (60,303)                                       |
| Net Position, Beginning of Year | <u>596,132</u>                                 | <u>656,435</u>                                 |
| Net Position, End of Year       | <u>\$ 695,270</u>                              | <u>\$ 596,132</u>                              |

During 2014 the District's disbursements decreased by 3 percent and revenues increased by 2 percent.

The District relies on diverse revenue streams to provide services to County residents. The County apportions the excess of the District's appropriations over estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as subdivision revenue. The largest category of disbursements was Salaries and related benefits. The District employs 30 full-time and 28 part-time employees.

**BUDGETARY HIGHLIGHTS**

The District made slight revisions to the original appropriation approved by the Board and the Board's fiscal agent, the Allen County Budget Commission. During 2014, the District spent 45% of the amount appropriated in the General Fund. The District's 2014 financial statements include budgetary statements for the General Fund and the Women, Infants and Children (WIC) 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.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)**

**Debt**

At December 31, 2014, the District had \$728,936 in outstanding loans payable. The District paid \$41,350 in principal on loans outstanding during the fiscal year. Detailed information regarding long-term debt is included in the notes to the basic financial statements (Note 10).

**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:

Sally Dray  
Director of Finance / Human Resources  
Allen County General Health District  
P.O. Box 1503  
Lima, OH 45802-1503  
Phone Number (419) 228-4457

GENERAL HEALTH DISTRICT  
ALLEN COUNTY

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2014

|                                            | <b>Governmental<br/>Activities</b> |
|--------------------------------------------|------------------------------------|
| <b><u>Assets</u></b>                       |                                    |
| Equity in Pooled Cash and Cash Equivalents | \$ 695,270                         |
| Total Assets                               | <u>695,270</u>                     |
| <b><u>Net Position</u></b>                 |                                    |
| Restricted For:                            |                                    |
| Other Purposes                             | 108,410                            |
| Unrestricted                               | 586,860                            |
| <b>Total Net Position</b>                  | <u>\$ 695,270</u>                  |

See accompanying notes to the basic financial statements.

GENERAL HEALTH DISTRICT  
ALLEN COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS  
For the Year Ended December 31, 2014

|                                | <u>Program Cash Receipts</u>        |                                       |                                                               |                                                                                     |
|--------------------------------|-------------------------------------|---------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                | <u>Cash</u><br><u>Disbursements</u> | <u>Charges for</u><br><u>Services</u> | <u>Operating</u><br><u>Grants and</u><br><u>Contributions</u> | <u>Net (Disbursements)</u><br><u>Receipts and</u><br><u>Changes in Net Position</u> |
| <b>Governmental Activities</b> |                                     |                                       |                                                               |                                                                                     |
| Public Health Services         | \$ 3,428,675                        | \$ 1,488,296                          | \$ 1,431,331                                                  | \$ (509,048)                                                                        |
| Debt Service:                  |                                     |                                       |                                                               |                                                                                     |
| Principal                      | 41,350                              | -                                     | -                                                             | (41,350)                                                                            |
| Interest                       | 36,003                              | -                                     | -                                                             | (36,003)                                                                            |
| Total Governmental Activities  | <u>\$ 3,506,028</u>                 | <u>\$ 1,488,296</u>                   | <u>\$ 1,431,331</u>                                           | <u>(586,401)</u>                                                                    |
|                                |                                     |                                       |                                                               |                                                                                     |
|                                |                                     |                                       | <b><u>General Receipts:</u></b>                               |                                                                                     |
|                                |                                     |                                       | Subdivision Fees                                              | 671,502                                                                             |
|                                |                                     |                                       | Miscellaneous                                                 | 14,037                                                                              |
|                                |                                     |                                       |                                                               | <u>685,539</u>                                                                      |
|                                |                                     |                                       | Total General Receipts                                        |                                                                                     |
|                                |                                     |                                       | Net Change in Position                                        | 99,138                                                                              |
|                                |                                     |                                       | Net Position Beginning of Year                                | <u>596,132</u>                                                                      |
|                                |                                     |                                       | Net Position End of Year                                      | <u>\$ 695,270</u>                                                                   |

See accompanying notes to the basic financial statements.

GENERAL HEALTH DISTRICT  
ALLEN COUNTY

COMBINED STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

|                                            | <u>General</u>    | <u>Women<br/>Infant &amp;<br/>Children</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------------|-------------------|--------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b><u>Assets</u></b>                       |                   |                                            |                                         |                                         |
| Equity in Pooled Cash and Cash Equivalents | \$ 530,776        | \$ 4,458                                   | \$ 160,036                              | \$ 695,270                              |
| Total Assets                               | <u>\$ 530,776</u> | <u>\$ 4,458</u>                            | <u>\$ 160,036</u>                       | <u>\$ 695,270</u>                       |
| <b><u>Fund Balances</u></b>                |                   |                                            |                                         |                                         |
| Restricted                                 | \$ -              | \$ 4,458                                   | \$ 103,952                              | \$ 108,410                              |
| Committed                                  | 48,106            | -                                          | 56,084                                  | 104,190                                 |
| Unassigned                                 | 482,670           | -                                          | -                                       | 482,670                                 |
| <b>Total Fund Balances</b>                 | <u>\$ 530,776</u> | <u>\$ 4,458</u>                            | <u>\$ 160,036</u>                       | <u>\$ 695,270</u>                       |

See accompanying notes to the basic financial statements.

GENERAL HEALTH DISTRICT  
ALLEN COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

|                                                      | General           | Women<br>Infant &<br>Children | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------|-------------------|-------------------------------|--------------------------------|--------------------------------|
| <b>RECEIPTS</b>                                      |                   |                               |                                |                                |
| Subdivision fees                                     | \$ 671,502        | \$ -                          | \$ -                           | \$ 671,502                     |
| Fees, Licenses & Permits                             | 728,511           | -                             | 534,183                        | 1,262,694                      |
| Contractual Services                                 | 80,495            | -                             | 145,108                        | 225,603                        |
| Federal Grants                                       | 43,939            | 637,616                       | 533,437                        | 1,214,992                      |
| State Grants                                         | 164,846           | -                             | 51,493                         | 216,339                        |
| Miscellaneous                                        | 14,037            | -                             | -                              | 14,037                         |
| <b>Total Receipts</b>                                | <b>1,703,330</b>  | <b>637,616</b>                | <b>1,264,221</b>               | <b>3,605,166</b>               |
| <b>DISBURSEMENTS</b>                                 |                   |                               |                                |                                |
| Current:                                             |                   |                               |                                |                                |
| Public Health Services                               |                   |                               |                                |                                |
| Salaries                                             | 652,590           | 459,724                       | 816,748                        | 1,929,062                      |
| Fringe Benefits                                      | 140,846           | 60,692                        | 128,455                        | 329,993                        |
| Public Employees' Retirement                         | 90,440            | 64,361                        | 114,310                        | 269,111                        |
| Materials & Supplies                                 | 190,654           | 33,144                        | 51,546                         | 275,344                        |
| Remittance to State                                  | 161,847           | -                             | 74,663                         | 236,510                        |
| Equipment and Vehicles                               | 64,080            | 7,167                         | 26,345                         | 97,592                         |
| Contracts - Services                                 | 58,512            | 2,701                         | 62,042                         | 123,255                        |
| Rentals (Facilities/Lease Agreements)                | -                 | 26,928                        | -                              | 26,928                         |
| Travel and Training                                  | 5,839             | 2,011                         | 11,358                         | 19,208                         |
| Utilities/Building Expenses                          | 32,091            | 4,046                         | 8,246                          | 44,383                         |
| Insurance                                            | 14,078            | 1,305                         | 3,998                          | 19,381                         |
| Other                                                | 39,020            | 288                           | 18,601                         | 57,909                         |
| Debt Service:                                        |                   |                               |                                |                                |
| Principal                                            | 41,350            | -                             | -                              | 41,350                         |
| Interest                                             | 36,003            | -                             | -                              | 36,003                         |
| <b>Total Disbursements</b>                           | <b>1,527,351</b>  | <b>662,367</b>                | <b>1,316,310</b>               | <b>3,506,028</b>               |
| <b>Excess of Receipts Over (Under) Disbursements</b> | <b>175,979</b>    | <b>(24,751)</b>               | <b>(52,089)</b>                | <b>99,138</b>                  |
| Other Financing Sources (Uses)                       |                   |                               |                                |                                |
| Transfers In                                         | 15,000            | -                             | 25,000                         | 40,000                         |
| Transfers Out                                        | 40,000            | -                             | -                              | 40,000                         |
| Advances In                                          | 42,087            | 12,000                        | 128,510                        | 182,597                        |
| Advances Out                                         | 140,510           | -                             | 42,087                         | 182,597                        |
| <b>Total Other Financing Sources (Uses)</b>          | <b>(123,423)</b>  | <b>12,000</b>                 | <b>111,423</b>                 | <b>-</b>                       |
| <b>Net Change in Fund Balances</b>                   | <b>52,556</b>     | <b>(12,751)</b>               | <b>59,334</b>                  | <b>99,138</b>                  |
| <b>Fund Balances Beginning of Year</b>               | <b>478,220</b>    | <b>17,209</b>                 | <b>100,703</b>                 | <b>596,132</b>                 |
| <b>Fund Balances End of Year</b>                     | <b>\$ 530,776</b> | <b>\$ 4,458</b>               | <b>\$ 160,036</b>              | <b>\$ 695,270</b>              |

See accompanying notes to the basic financial statements.

GENERAL HEALTH DISTRICT  
ALLEN COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

|                                               | <u>Budgeted Amounts</u> |                  | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------------------------|-------------------------|------------------|-------------------|-------------------------------------------------------------------|
|                                               | <u>Original</u>         | <u>Final</u>     |                   |                                                                   |
| <b>RECEIPTS</b>                               |                         |                  |                   |                                                                   |
| Subdivision Fees                              | \$671,502               | \$671,502        | \$ 671,502        | \$ -                                                              |
| Licenses, Permits, & Fees                     | 516,800                 | 516,800          | 728,511           | 211,711                                                           |
| Contractual Services                          | 74,000                  | 74,000           | 80,495            | 6,495                                                             |
| State Grants                                  | 121,500                 | 121,500          | 164,846           | 43,346                                                            |
| Federal Grants                                | 500                     | 500              | 43,939            | 43,439                                                            |
| Reimbursements                                | 1,710,215               | 1,710,215        | -                 | (1,710,215)                                                       |
| Miscellaneous                                 | 5,000                   | 5,000            | 14,037            | 9,037                                                             |
| <b>Total Receipts</b>                         | <u>3,099,517</u>        | <u>3,099,517</u> | <u>1,703,330</u>  | <u>(1,396,187)</u>                                                |
| <b>DISBURSEMENTS</b>                          |                         |                  |                   |                                                                   |
| Current:                                      |                         |                  |                   |                                                                   |
| Public Health Services                        |                         |                  |                   |                                                                   |
| Salaries                                      | 2,010,178               | 1,954,178        | 647,834           | 1,306,344                                                         |
| Fringe Benefits                               | 446,254                 | 371,254          | 140,777           | 230,477                                                           |
| Public Employees' Retirement                  | 280,578                 | 280,578          | 90,440            | 190,138                                                           |
| Materials & Supplies                          | 159,550                 | 213,550          | 190,654           | 22,896                                                            |
| Remittance to State                           | 144,500                 | 162,000          | 161,847           | 153                                                               |
| Equipment and Vehicles                        | 37,500                  | 80,500           | 64,079            | 16,421                                                            |
| Contracts - Services                          | 64,400                  | 67,900           | 58,512            | 9,388                                                             |
| Travel and Training                           | 8,000                   | 8,000            | 5,838             | 2,162                                                             |
| Repairs - Vehicles                            | 3,500                   | 5,000            | 2,434             | 2,566                                                             |
| Advertising and Printing                      | 2,500                   | 4,500            | 468               | 4,032                                                             |
| Utilities and Bldg Repairs                    | 55,300                  | 46,525           | 32,091            | 14,434                                                            |
| Insurance                                     | 20,000                  | 20,000           | 14,078            | 5,922                                                             |
| Other                                         | 20,000                  | 44,174           | 36,118            | 8,055                                                             |
| Debt Service                                  |                         |                  |                   |                                                                   |
| Principal                                     | 33,059                  | 41,359           | 41,350            | 9                                                                 |
| Interest                                      | 39,133                  | 36,833           | 36,003            | 830                                                               |
| <b>Total Disbursements</b>                    | <u>3,324,452</u>        | <u>3,336,351</u> | <u>1,522,524</u>  | <u>1,813,828</u>                                                  |
| Excess of Receipts Over (Under) Disbursements | (224,935)               | (236,834)        | 180,806           | 417,640                                                           |
| <b>Other Financing Sources (Uses)</b>         |                         |                  |                   |                                                                   |
| Transfers Out                                 | 41,000                  | 41,000           | 40,000            | 5,000                                                             |
| Advances In                                   | 30,500                  | 30,500           | 42,087            | 11,587                                                            |
| Advances Out                                  | 120,000                 | 140,510          | 140,510           | -                                                                 |
| <b>Total Other Financing Sources (Uses)</b>   | <u>(130,500)</u>        | <u>(151,010)</u> | <u>(138,423)</u>  | <u>12,587</u>                                                     |
| Net Change in Fund Balances                   | (355,435)               | (387,844)        | 42,383            | 430,226                                                           |
| Fund Balances Beginning of Year               | 440,287                 | 440,287          | 440,287           | -                                                                 |
| Fund Balances End of Year                     | <u>\$ 84,852</u>        | <u>\$ 52,443</u> | <u>\$ 482,670</u> | <u>\$ 430,226</u>                                                 |

See accompanying notes to the basic financial statements.

GENERAL HEALTH DISTRICT  
ALLEN COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
WOMENS, INFANTS AND CHILDREN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

|                                               | <u>Budgeted Amounts</u> |                |                 | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------------------------|-------------------------|----------------|-----------------|-------------------------------------------------------------------|
|                                               | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>   |                                                                   |
| <b>RECEIPTS</b>                               |                         |                |                 |                                                                   |
| Federal Grants                                | \$ 661,183              | \$ 661,183     | \$ 637,616      | \$ (23,567)                                                       |
| Total Receipts                                | <u>661,183</u>          | <u>661,183</u> | <u>637,616</u>  | <u>(23,567)</u>                                                   |
| <b>DISBURSEMENTS</b>                          |                         |                |                 |                                                                   |
| Current:                                      |                         |                |                 |                                                                   |
| Public Health Services                        |                         |                |                 |                                                                   |
| Salaries                                      | 460,000                 | 460,000        | 459,724         | 276                                                               |
| Fringe Benefits                               | 63,000                  | 63,000         | 60,693          | 2,307                                                             |
| Public Employees' Retirement                  | 102,583                 | 77,545         | 64,361          | 13,184                                                            |
| Materials & Supplies                          | 12,422                  | 33,150         | 33,144          | 6                                                                 |
| Equipment and Vehicles                        | 2,000                   | 7,170          | 7,167           | 3                                                                 |
| Contracts - Services                          | 2,750                   | 2,710          | 2,701           | 9                                                                 |
| Rentals (Facilities/Lease Agreements)         | 26,928                  | 26,928         | 26,928          | -                                                                 |
| Travel and Training                           | 3,500                   | 2,020          | 2,011           | 9                                                                 |
| Utilities                                     | 3,500                   | 4,050          | 4,046           | 4                                                                 |
| Insurance                                     | 1,500                   | 1,310          | 1,305           | 5                                                                 |
| Other                                         | -                       | 300            | 288             | 12                                                                |
| Total Disbursements                           | <u>678,183</u>          | <u>678,183</u> | <u>662,367</u>  | <u>15,815</u>                                                     |
| Excess of Receipts Over (Under) Disbursements | (17,000)                | (17,000)       | (24,751)        | (7,751)                                                           |
| <b>Other Financing Sources (Uses)</b>         |                         |                |                 |                                                                   |
| Advances In                                   | -                       | -              | 12,000          | 12,000                                                            |
| Total Other Financing Sources (Uses)          | <u>-</u>                | <u>-</u>       | <u>12,000</u>   | <u>12,000</u>                                                     |
| Net Change in Fund Balances                   | (17,000)                | (17,000)       | (12,751)        | 4,249                                                             |
| Fund Balances Beginning of Year               | <u>17,209</u>           | <u>17,209</u>  | <u>17,209</u>   | <u>-</u>                                                          |
| Fund Balances End of Year                     | <u>\$ 209</u>           | <u>\$ 209</u>  | <u>\$ 4,458</u> | <u>\$ 4,249</u>                                                   |

See accompanying notes to the basic financial statements.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**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 General Health District of Allen County, (the District), as a body corporate and politic. A seven-member Board and Health Commissioner govern the District which provides health services in all of Allen 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 Allen County Commissioners are the taxing authority for the District. The Allen County Auditor and the Allen 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 receipts 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. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct expenses with program receipts identifies the extent to which each governmental program is self-financing or draws from the general receipts of the District.

**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.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**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.

**WIC Fund** -This fund accounts solely for all receipts and expenditures related to the Women and Infant Children Grant. This grant is awarded annually by the Ohio Department of Health and all funds are Federal Funds. All federal and state guidelines are followed in disbursements of expenditures. Only approved WIC expenditures are disbursed from this fund.

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

**4. Measurement Focus**

The District has elected to present its financial statements on the 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.

**5. Basis of Accounting**

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.

**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.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**D. Long-term Debt Obligations**

The District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds for debt are reported when cash is received and principal and interest payments are reported when paid.

**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 the 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.

**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. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in the governmental funds.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**I. Fund Balance**

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

**Nonspendable**

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

**Assigned**

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Health, which includes giving the Director of Finance 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.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**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 Fund and the WIC Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than restricted, committed or assigned fund balance (cash basis). There were no encumbrances at December 31, 2014.

The following table summarizes the adjustments necessary to reconcile the cash basis statements to the budgetary basis statements for the General Fund.

|                                    |                  |
|------------------------------------|------------------|
| General Fund Cash Accounting Basis | \$530,776        |
| Perspective Differences:           |                  |
| Net activity of funds reclassified |                  |
| 2014 Severance fund balance        | <u>(48,106)</u>  |
| Budget Basis                       | <u>\$482,670</u> |

There is no difference between the budgetary basis and the cash basis for the WIC fund.

**4. INTERGOVERNMENTAL FUNDING**

The County apportions the excess of the District's appropriations over estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as subdivision revenue.

**5. CASH AND CASH EQUIVALENTS**

The Allen 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 Allen County Commissioner was \$695,270. The Allen 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.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**6. INTERFUND BALANCES**

Interfund balances at December 31, 2014, consisted of the following individual fund receivables and payables:

|                                      | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--------------------------------------|-----------------------------|--------------------------|
| General Fund                         | \$140,510                   | \$ -0-                   |
| CFHS-OIMRI                           | -0-                         | 17,000                   |
| Women's Preventive Health            | -0-                         | 7,400                    |
| STIR Grant                           | -0-                         | 4,500                    |
| Creating Healthy Communities         | -0-                         | 19,210                   |
| WIC                                  | -0-                         | 12,000                   |
| Family Planning                      | -0-                         | 33,500                   |
| IAP                                  | -0-                         | 2,900                    |
| PHEP                                 | -0-                         | 9,000                    |
| Dis/Std Preventiom                   | -0-                         | 20,000                   |
| HIV/AIDS Fund                        | -0-                         | <u>15,000</u>            |
| Total Interfund Receivables/Payables | <u>\$140,510</u>            | <u>\$ 140,510</u>        |

Interfund balances at December 31, 2014, consisted of \$140,510 advanced from the General fund to other governmental funds to provide working capital for operations. The Interfund receivables/payables are expected to be repaid within one year.

**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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. York functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), 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, 2013, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.



**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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.

The 2014 member contribution rates were 10.0% of earnable salary for members in state and local classifications. The 2014 employer contribution rate for state and local employers was 14.0% of earnable salary. The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$269,111, \$278,883 and \$277,011, respectively; 100 percent has been contributed for all three years.

**9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**A. 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. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in OPERS 2013 CAFR for details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible benefit recipients. 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.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**B. Funding Policy**

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 earnable salary of active members. In 2014, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contributions rates permitted by the Ohio Revised Code. Active members contributions do not fund 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 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 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.

**C. Information from employer's records**

The total employer contribution rates stated in Section B, above are the statutorily required contribution rates for OPERS. As part of this disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund post-employment health benefits. The portion of your employer contributions that were used to fund post-employment health benefits can be approximated by multiplying actual employer contributions for calendar year 2014 by 0.1428 for state and local employers. The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$38,429, \$19,912 and \$79,142, respectively; 100 percent has been contributed for all years.

**D. OPERS Board of Trustees Adopt Changes to the Health Care Plan**

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.

**10. DEBT**

| Loan         | Interest Rate | Balance January 1, 2014 | Principal Paid    | Balance December 31, 2014 | Amount due in one year |
|--------------|---------------|-------------------------|-------------------|---------------------------|------------------------|
| Building     | 4.67%         | \$ 709,376              | \$ (35,017)       | \$ 674,359                | \$ 28,968              |
| Improvements | 6.50%         | <u>60,910</u>           | <u>(6,333)</u>    | <u>54,577</u>             | <u>6,962</u>           |
| Total        |               | <u>\$ 770,286</u>       | <u>\$(41,350)</u> | <u>\$ 728,936</u>         | <u>\$ 35,930</u>       |

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

The District secured a mortgage loan from the Union Bank Company in the amount of \$800,000, bearing interest at 4.67% to complete the purchase and renovation of its office building. The District principal and interest payments are due monthly with final payment due July 18, 2030. The loan is collateralized by the property located at 219 E. Market Street, Lima, Ohio.

During 2011, the District entered into a loan agreement with the First National Bank for improvements to the Property at 219 E. Market Street. The principal amount of the loan is \$75,000 bearing an interest rate of 6.50% with principal and interest payments due monthly with the final payment due July 29, 2021. The loan is collateralized by the full faith and credit of the District.

Amortization Schedule

|           | Building          | Building         | Improvement      | Improvement     |
|-----------|-------------------|------------------|------------------|-----------------|
| Year      | Principal         | Interest         | Principal        | Interest        |
| 2015      | \$ 30,370         | \$ 31,596        | \$ 8,449         | \$ 1,774        |
| 2016      | 31,753            | 30,213           | 8,724            | 1,499           |
| 2017      | 33,376            | 28,590           | 9,007            | 1,216           |
| 2018      | 34,991            | 26,975           | 9,300            | 923             |
| 2019      | 36,684            | 25,281           | 9,602            | 620             |
| 2020-2024 | 211,702           | 98,127           | 9,495            | 308             |
| 2025-2029 | 268,236           | 41,594           | -0-              | -0-             |
| 2030-2031 | <u>27,247</u>     | <u>519</u>       | <u>-0-</u>       | <u>-0-</u>      |
| Totals    | <u>\$ 674,359</u> | <u>\$282,895</u> | <u>\$ 54,577</u> | <u>\$ 6,340</u> |

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**11. 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:

| Fund Balances                | General Fund      | WIC Fund        | Other Governmental Funds | Total             |
|------------------------------|-------------------|-----------------|--------------------------|-------------------|
| Restricted for:              |                   |                 |                          |                   |
| WIC                          | -                 | \$ 4,458        | -                        | \$ 4,458          |
| Food Service                 | -                 | -               | \$ 3,077                 | 3,077             |
| Solid Waste                  | -                 | -               | 8,608                    | 8,608             |
| Trailer Parks                | -                 | -               | 6,563                    | 6,563             |
| Water Fund                   | -                 | -               | 2,503                    | 2,503             |
| Creating Healthy Communities | -                 | -               | 1,485                    | 1,485             |
| Family Planning              | -                 | -               | 29,973                   | 29,973            |
| STIR                         | -                 | -               | 5,975                    | 5,975             |
| Immunization                 | -                 | -               | 182                      | 182               |
| Dis/Std Prevention           | -                 | -               | 748                      | 748               |
| Public Health Infrastructure | -                 | -               | 1,892                    | 1,892             |
| Women's Prev. Health         | -                 | -               | 30                       | 30                |
| Community Care Coordination  | -                 | -               | 1,586                    | 1,586             |
| Construction and Demo Debris | -                 | -               | 20,523                   | 20,523            |
| Sewage                       | -                 | -               | 13,390                   | 13,390            |
| Ground Water                 | -                 | -               | 3,704                    | 3,704             |
| HIV/Aids Grant               | -                 | -               | 3,713                    | 3,713             |
| Total Restricted             | <u>-</u>          | <u>4,458</u>    | <u>103,952</u>           | <u>108,410</u>    |
| Committed for:               |                   |                 |                          |                   |
| Sick & Vacation Leave Payout | \$48,106          | -               | -                        | 48,106            |
| Building Improvements        | <u>-</u>          | <u>-</u>        | <u>56,084</u>            | <u>56,084</u>     |
| Total Committed              | <u>48,106</u>     | <u>-</u>        | <u>56,084</u>            | <u>104,190</u>    |
| Unassigned                   | <u>482,670</u>    | <u>-</u>        | <u>-</u>                 | <u>482,670</u>    |
| Total Fund Balances          | <u>\$ 530,776</u> | <u>\$ 4,458</u> | <u>\$ 160,036</u>        | <u>\$ 695,270</u> |

**12. 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.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**13. LEASES**

**Office Space**

During 2010, the District entered into an agreement for the rental of space for the WIC Division. The lease was effective October 1, 2010 and originally terminated September 30, 2011, was extended until September 30, 2015. The lease amount is \$2,244 per month. Total payments required to fulfill this lease as of December 31, 2014 are \$20,196.

**Office Equipment**

The District entered into two lease agreements with US Bank for the lease of copiers. Copier 1, listed below, was upgraded during 2014. The District leases the equipment under non cancellable leases. The leases are for a total cost of \$8,303 and \$7,140 respectively. Final lease payments are due in 2019 and 2018 respectively. The District also entered into two lease agreements with Mail Finance for the lease of postage meter equipment. The District leases the equipment under non cancellable leases. The leases are for a total cost of \$5,880 and \$10,740 respectively. Final lease payments are due in 2018.

Lease expense for 2014 was \$6,857 which includes an extra payment on Postage Meter 2.

Future lease payments for the above leases are as follows:

| <b>Year</b>  | <b>Copier 1<br/>Amount Due</b> | <b>Copier 2<br/>Amount Due</b> | <b>Postage Meter 1<br/>Amount Due</b> | <b>Postage Meter 2<br/>Amount Due</b> |
|--------------|--------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| 2015         | \$ 1,661                       | \$ 1,428                       | \$ 1,176                              | \$ 1,611                              |
| 2016         | 1,661                          | 1,428                          | 1,176                                 | 2,148                                 |
| 2017         | 1,661                          | 1,428                          | 1,176                                 | 2,148                                 |
| 2018         | 1,661                          | 595                            | 294                                   | 2,148                                 |
| 2019         | 1,094                          | -0-                            | -0-                                   | -0-                                   |
| <b>Total</b> | <b>\$ 7,738</b>                | <b>\$ 4,879</b>                | <b>\$ 3,822</b>                       | <b>\$ 8,055</b>                       |

**14. INTERFUND TRANSFERS**

The District transferred cash for grant reimbursement purposes due to the timing of the receipt of grant monies during 2014, see below:

| <b>Funds</b>              | <b>From</b>      | <b>To</b>        |
|---------------------------|------------------|------------------|
| General Fund              | \$ -0-           | \$ 40,000        |
| Special Revenue Fund      |                  |                  |
| Building Improvement Fund | 25,000           | -0-              |
| Severance Fund            | 15,000           | -0-              |
| <b>Total</b>              | <b>\$ 40,000</b> | <b>\$ 40,000</b> |

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.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

| <b>Federal Grantor<br/>Program Title</b>                                                                   | <b>Pass Through<br/>Entity<br/>Number</b> | <b>Federal<br/>CFDA<br/>Number</b> | <b>Expenditures</b>      |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------|--------------------------|
| <b>U. S. DEPARTMENT OF AGRICULTURE</b>                                                                     |                                           |                                    |                          |
| <b>Passed Through Ohio Department of Health:</b>                                                           |                                           |                                    |                          |
| Special Supplemental Nutrition Program<br>for Women, Infants and Children (WIC)                            | WA-07-14<br>WA-08-15                      | 10.557                             | \$ 513,098<br>149,271    |
| Total U.S. Department of Agriculture                                                                       |                                           |                                    | <u>662,369</u>           |
| <b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                                                       |                                           |                                    |                          |
| <b>Passed Through Ohio Department of Health:</b>                                                           |                                           |                                    |                          |
| Cooperative Agreements for State-Based Comprehensive<br>Breast and Cervical Cancer Early Detection Program | BC-07-14<br>BC-08-15                      | 93.919                             | 42,623<br><u>38,197</u>  |
| Total Breast and Cervical Cancer Early Detection Program                                                   |                                           |                                    | 80,820                   |
| Public Health Emergency Preparedness                                                                       | PH-05-14<br>PH-06-15                      | 93.074                             | 67,193<br><u>51,966</u>  |
| Total Public Health Emergency Preparedness                                                                 |                                           |                                    | 119,159                  |
| Preventive Health and Health Services Block Grant<br>Creating Healthy Communities                          | CC-05-14<br>CC-04-13                      | 93.991                             | 94,565<br><u>1,100</u>   |
| Total Preventive and Health Services                                                                       |                                           |                                    | 95,665                   |
| Maternal and Child Health Services<br>Block Grant to States                                                | RH-03-14<br>RH-04-15                      | 93.217                             | 15,610<br><u>77,922</u>  |
| Total Maternal and Child Health Services                                                                   |                                           |                                    | 93,532                   |
| Reproductive Health and Wellness                                                                           | RH-03-14<br>RH-04-15                      | 93.994                             | 990<br><u>6,133</u>      |
| Total Reproductive Health and Wellness                                                                     |                                           |                                    | 7,123                    |
| Child and Family Health Services Grant                                                                     | MC-08-15<br>MC-07-14                      | 93.994                             | 56,546<br><u>106,168</u> |
| Total Child and Family Health Services Grant                                                               |                                           |                                    | 162,714                  |
| Immunization Grant                                                                                         | IM-06-13<br>IM-07-14                      | 93.268                             | 589<br><u>32,512</u>     |
| Total Immunization Grant                                                                                   |                                           |                                    | 33,101                   |
| Strategies for Increasing Teen Immunizations                                                               | TS-01-14                                  | 93.539                             | <u>11,592</u>            |
| Total U.S. Department of Health and Human Services                                                         |                                           |                                    | <u>603,706</u>           |
| Total Federal Financial Assistance                                                                         |                                           |                                    | <u>\$ 1,266,075</u>      |

See accompanying Notes to the Schedule of Federal Awards Expenditures.

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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 – COMMINGLING**

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.

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

General Health District  
Allen County  
P.O. Box 1503  
219 E. Market Street  
Lima, Ohio 45802

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 General Health District, Allen County (the District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 2, 2015, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

*Internal Control Over Financial Reporting*

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or 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.

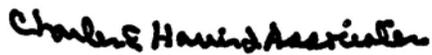
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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



*Charles E. Harris & Associates, Inc.*  
April 2, 2015

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*

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

General Health District  
Allen County  
P.O. Box 1503  
219 E. Market Street  
Lima, Ohio 45802

To the Members of the Board:

*Report on Compliance for The Major Federal Program*

We have audited the General Health District's, Allen 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, 2014. 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, 2014.

*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.***

April 2, 2015

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

**GENERAL HEALTH DISTRICT  
ALLEN COUNTY  
December 31, 2014**

**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> | No                                                                                            |
| (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<br>Type B: All Others                                                      |
| (d)(1)(ix)   | <i>Low Risk Auditee?</i>                                                                             | Yes                                                                                           |

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

**GENERAL HEALTH DISTRICT**  
**ALLEN COUNTY**  
**December 31, 2014**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2013, reported no material citations or recommendations.



# Dave Yost • Auditor of State

**ALLEN COUNTY GENERAL HEALTH DISTRICT**

**ALLEN 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  
JUNE 18, 2015**