



Dave Yost • Auditor of State



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

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	5
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis .....	11
Statement of Activities – Cash Basis .....	12
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	13
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds.....	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Construction and Demolition Debris Fund .....	16
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – WIC Grant Fund .....	17
Notes to the Financial Statements.....	19
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	31

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

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 Seneca County District Board of Health, Seneca 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 Seneca County District Board of Health, Seneca County, Ohio, as of December 31, 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General, Construction and Demolition Debris, and WIC Grant funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

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

***Other Matters***

*Supplemental and Other Information*

We audited to opine on the District's financial statements that collectively comprise its basic financial statements.

*Management's Discussion and Analysis* includes tables of net position, changes in net position and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables 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, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

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

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

April 2, 2015

**This page intentionally left blank.**



**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

The discussion and analysis of the Seneca County District Board of Health's (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2014, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the year 2014 are as follows:

- The District's net position increased \$54,689 or 6.98% from the prior year.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the District's receipts, accounting for 77.11% of all the dollars coming into the District. General receipts in the form of property taxes, donations, State subsidy and miscellaneous receipts make up the remaining 22.89%.
- The District's disbursements decreased by \$187,816 from the prior year. This decrease primarily related to a 31.77% decrease in disbursements for construction and demolition services.

**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 is applicable to the District's cash basis of accounting.

**Report Components**

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis provide information about the cash activities of the District as a whole.

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

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

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements.

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

**Reporting the District as a Whole**

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis reflect how the District performed financially during 2014, within the limitations of the cash basis of accounting. The Statement of Net Position - Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis present governmental activities, which include all the District's services. The District has no business-type activities.

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

**Fund Financial Statements**

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

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

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

**The District as a Whole**

Table 1 provides a summary of the District's net position cash basis at December 31, 2014 compared to December 31, 2013.

**Table 1  
Net Position - Cash Basis**

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 838,251	\$ 783,562
<b>Net Position</b>		
Restricted for:		
Environmental health	\$ 716,310	\$ 595,288
Community health services	74,504	119,435
Unrestricted	47,437	68,839
Total Net Position	\$ 838,251	\$ 783,562

The District's net position increased \$54,689 from 2013 due to program receipts of \$1,848,416 and general receipts of \$548,693 exceeding current year disbursements of \$2,342,420.

In 2014, 22.89% of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 77.11% of the District's total receipts in 2014. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, trailer park, swimming pools and spas, and water system permits and State and federal operating grants and donations.

Administration accounted for 39.89% of the District's total disbursements for 2014. These costs represent the costs to administer all programs not supported by special receipts. Construction and demolition debris and women, infants, and children disbursements accounted for 17.28% and 15.49%, respectively, of 2014 total disbursements.

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

Table 2 reflects the change in net position on a cash basis in 2014 as compared to 2013:

**Table 2  
Changes in Net Position - Cash Basis**

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
<b>Receipts</b>		
Program cash receipts:		
Charges for services and sales	\$ 1,277,330	\$ 1,467,106
Operating grants and contributions	571,086	587,656
Total program cash receipts	<u>1,848,416</u>	<u>2,054,762</u>
General receipts:		
Property taxes and other local taxes		
Levied for general Health District purposes	455,026	451,705
Grants and entitlements not restricted to specific programs	70,804	70,017
Donations	4,178	6,446
Miscellaneous	18,685	31,057
Total general receipts	<u>548,693</u>	<u>559,225</u>
<b>Total Receipts</b>	<u>2,397,109</u>	<u>2,613,987</u>
<b>Disbursements</b>		
Environmental health:		
Trailer park	21,054	7,371
Swimming pool	8,204	7,921
Food service	96,134	88,124
Water system	24,612	22,174
Solid waste	97,237	100,509
Nuisance	53	1,104
Radon	47,467	34,772
Sewage	37,413	33,156
Construction and demolition debris	404,749	593,254
Community health services:		
Women, infants, and children	362,879	319,696
Senior services	4,470	4,948
Welcome home program	-	73
Public health infrastructure	92,109	92,798
Preventative health	-	2,017
Immunizations	39,223	110,042
Wellness	444	651
Child and family health services	38,473	41,658
Homemaker	70,177	65,988
Breast health education	14,516	16,250
Personal responsibility education	48,929	58,486
Administration	934,277	929,244
<b>Total Disbursements</b>	<u>2,342,420</u>	<u>2,530,236</u>
Change in net position	54,689	83,751
Net position at beginning of year	783,562	699,811
Net position at end of year	<u>\$ 838,251</u>	<u>\$ 783,562</u>

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

**Governmental Activities**

The first column of the Statement of Activities - Cash Basis lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for environmental health, community health services, and administration, which account for 31.46%, 28.65%, and 39.89% of all governmental disbursements, respectively. The "Program Cash Receipts" columns of the Statement of Activities - Cash Basis identify amounts paid by individuals who are directly charged for services and grants received by the District that must be used to provide a specific service. The net cost column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which is paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts. A comparison between the total cost of services and the net cost for both 2014 and 2013 is presented in Table 3, below.

**Table 3  
Governmental Activities**

	<b>Total Cost of Services 2014</b>	<b>Net Cost of Services 2014</b>	<b>Total Cost of Services 2013</b>	<b>Net Cost of Services 2013</b>
Environmental health:				
Trailer park	\$ 21,054	\$ 1,942	\$ 7,371	\$ (5,795)
Swimming pool	8,204	239	7,921	(399)
Food service	96,134	(9,947)	88,124	1,850
Water system	24,612	218	22,174	900
Solid waste	97,237	(45,768)	100,509	(1,657)
Nuisance	53	(1,017)	1,104	(13,278)
Radon	47,467	9,467	34,772	(11,603)
Sewage	37,413	9,040	33,156	(178)
Construction and demolition services	404,749	(80,263)	593,254	(77,316)
Community health services:				
Women, infants, and children	362,879	39,799	319,696	(12,917)
Senior services	4,470	(49)	4,948	265
Welcome home program	-	-	73	73
Public health preparedness	92,109	2,322	92,798	20,102
Preventative health	-	-	2,017	2,017
Rape prevention	-	-	-	-
Immunizations	39,223	6,806	110,042	(8,079)
Wellness	444	(660)	651	(97)
Child and family health services	38,473	740	41,658	2,971
Homemaker	70,177	8,389	65,988	4,129
Partnership for success	14,516	7,263	-	-
Breast health education	-	-	16,250	(3,750)
Personal responsibility education	48,929	166	58,486	4,831
Administration	934,277	545,317	929,244	573,405
<b>Totals</b>	<b>\$ 2,342,420</b>	<b>\$ 494,004</b>	<b>\$ 2,530,236</b>	<b>\$ 475,474</b>

The District has attempted to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. Only 21.09% of the District's costs are supported through property taxes, unrestricted grants and other general receipts.

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

**The District's Funds**

Total governmental funds had receipts and other financing sources of \$2,522,646 and disbursements and other financing uses of \$2,467,957.

The general fund is the chief operating fund of the District. Disbursements and other financing uses exceeded receipts and other financing sources in the general fund by \$23,134 in 2014. Property and other local taxes, fees, and contractual services receipts represented 49.29%, 30.35% and 10.26%, respectively, of total receipts of \$923,086 for 2014. The general fund had \$934,277 in disbursements for administration costs during the year.

The construction and demolition debris fund, a major special revenue fund, accounts for receipts collected from the landfill. Receipts in the form of fees of \$485,012 represent a decrease of 27.67% from 2013. Correspondingly, disbursements for construction and demolition services decreased 31.77% as compared to 2013.

The Women, Infants, and Children (WIC) grant fund, a major special revenue fund, accounts for federal grant monies for the WIC program. WIC is a program for pregnant women, women who recently had a baby, breastfeeding mothers, infants, and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. Receipts in the WIC fund decreased by 2.45% and disbursements increased 13.51% from 2013, respectively, due to lower grant receipts during the year.

**General Fund Budgeting Highlights**

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

During the course of 2014, the District amended its budget several times. The general fund's final budgeted receipts of \$981,294 were equal to original budgeted receipts. Actual receipts and other financing sources were \$979,883, \$1,411 less than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$1,024,961 were \$8,571 greater than final appropriated expenditures and other financing uses of \$1,016,390.

**Capital Assets**

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

**Current Issues**

A major challenge for the District is to provide quality services to the public while complying with the restrictions imposed by limited, and in some cases shrinking funding. The District relies on operating grants and is diligent in searching for new funding sources to allow our programs to continue. Charges for services and contract rates are analyzed to ensure that costs to administer and carry out programs are covered.

**Contacting the District's Financial Management**

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

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2014

	<b>Governmental Activities</b>
<b>Assets</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 838,251
 <b>Net position</b>	
Restricted for:	
Environmental health . . . . .	\$ 716,310
Community health services . . . . .	74,504
Unrestricted. . . . .	47,437
Total net position . . . . .	\$ 838,251

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Program Cash Receipts</u>			<b>Net (Disbursements) Receipts and Changes in Net Position</b>
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental activities:</b>				
Environmental health:				
Trailer park . . . . .	\$ 21,054	\$ 19,112	\$ -	\$ (1,942)
Swimming pool . . . . .	8,204	7,965	-	(239)
Food service . . . . .	96,134	106,081	-	9,947
Water system. . . . .	24,612	24,394	-	(218)
Solid waste. . . . .	97,237	124,900	18,105	45,768
Nuisance . . . . .	53	1,070	-	1,017
Radon. . . . .	47,467	-	38,000	(9,467)
Sewage. . . . .	37,413	28,373	-	(9,040)
Construction and demolition services . . . .	404,749	485,012	-	80,263
Community health services:				
Women, infants, and children . . . . .	362,879	-	323,080	(39,799)
Senior services . . . . .	4,470	4,519	-	49
Public health infrastructure. . . . .	92,109	-	89,787	(2,322)
Immunizations . . . . .	39,223	-	32,417	(6,806)
Wellness. . . . .	444	604	500	660
Child and family health services . . . . .	38,473	-	37,733	(740)
Homemaker . . . . .	70,177	30,324	31,464	(8,389)
Partnership for success. . . . .	14,516	7,253	-	(7,263)
Personal responsibility education. . . . .	48,929	48,763	-	(166)
Administration. . . . .	934,277	388,960	-	(545,317)
Total governmental activities . . . . .	<u>\$ 2,342,420</u>	<u>\$ 1,277,330</u>	<u>\$ 571,086</u>	<u>(494,004)</u>
<b>General Receipts:</b>				
Property taxes and other local taxes				
levied for general health district purposes . . . . .				455,026
Grants and entitlements not restricted to specific programs. . . . .				70,804
Donations. . . . .				4,178
Miscellaneous . . . . .				18,685
Total general receipts. . . . .				<u>548,693</u>
Change in net position . . . . .				54,689
Net position at beginning of year. . . . .				<u>783,562</u>
Net position at end of year . . . . .				<u>\$ 838,251</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>WIC Grant</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in pooled cash and cash equivalents. . . . .	\$ 28,767	\$ 603,211	\$ 23,016	\$ 183,257	\$ 838,251
<b>Fund Balances</b>					
Restricted:					
Environmental health:					
Trailer park. . . . .	\$ -	\$ -	\$ -	\$ 4,594	\$ 4,594
Swimming pool. . . . .	-	-	-	571	571
Food service . . . . .	-	-	-	16,023	16,023
Water system . . . . .	-	-	-	9,233	9,233
Solid waste . . . . .	-	-	-	64,900	64,900
Radon . . . . .	-	-	-	14,201	14,201
Sewage . . . . .	-	-	-	3,577	3,577
Construction and demolition debris . . . . .	-	603,211	-	-	603,211
Community health services:					
Women, infants, and children . . . . .	-	-	23,016	-	23,016
Senior services . . . . .	-	-	-	3,675	3,675
Welcome home program . . . . .	-	-	-	26	26
Breast health education. . . . .	-	-	-	1,886	1,886
Public health infrastructure. . . . .	-	-	-	20,336	20,336
Immunizations . . . . .	-	-	-	8,598	8,598
Child and family health services . . . . .	-	-	-	2,665	2,665
Homemaker. . . . .	-	-	-	11,303	11,303
Personal responsibility education. . . . .	-	-	-	2,999	2,999
Committed:					
Environmental health:					
Nuisance . . . . .	-	-	-	17,129	17,129
Community health services:					
Preventative health. . . . .	-	-	-	31	31
Wellness . . . . .	-	-	-	1,510	1,510
Assigned:					
Administration . . . . .	21,944	-	-	-	21,944
Unassigned . . . . .	6,823	-	-	-	6,823
Total fund balances. . . . .	<u>\$ 28,767</u>	<u>\$ 603,211</u>	<u>\$ 23,016</u>	<u>\$ 183,257</u>	<u>\$ 838,251</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>WIC Grant</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>					
Property and other local taxes . . . . .	\$ 455,026	\$ -	\$ -	\$ -	\$ 455,026
Licenses and permits . . . . .	14,142	-	-	272,167	286,309
Fees . . . . .	280,139	485,012	-	24,458	789,609
Contractual services . . . . .	94,679	-	-	106,733	201,412
Intergovernmental . . . . .	70,804	-	323,080	237,506	631,390
Private grants and donations . . . . .	-	-	-	14,678	14,678
Miscellaneous . . . . .	8,296	565	4,152	5,672	18,685
Total receipts . . . . .	<u>923,086</u>	<u>485,577</u>	<u>327,232</u>	<u>661,214</u>	<u>2,397,109</u>
<b>Disbursements</b>					
Current:					
Environmental health:					
Trailer park . . . . .	-	-	-	21,054	21,054
Swimming pool . . . . .	-	-	-	8,204	8,204
Food service . . . . .	-	-	-	96,134	96,134
Water system . . . . .	-	-	-	24,612	24,612
Solid waste . . . . .	-	-	-	97,237	97,237
Nuisance . . . . .	-	-	-	53	53
Radon . . . . .	-	-	-	47,467	47,467
Sewage . . . . .	-	-	-	37,413	37,413
Construction and demolition services . . . . .	-	404,749	-	-	404,749
Community health services:					
Women, infants, and children . . . . .	-	-	362,879	-	362,879
Senior services . . . . .	-	-	-	4,470	4,470
Public health infrastructure . . . . .	-	-	-	92,109	92,109
Immunizations . . . . .	-	-	-	39,223	39,223
Wellness . . . . .	-	-	-	444	444
Child and family health services . . . . .	-	-	-	38,473	38,473
Homemaker . . . . .	-	-	-	70,177	70,177
Breast health education . . . . .	-	-	-	14,516	14,516
Personal responsibility education . . . . .	-	-	-	48,929	48,929
Administration . . . . .	934,277	-	-	-	934,277
Total disbursements . . . . .	<u>934,277</u>	<u>404,749</u>	<u>362,879</u>	<u>640,515</u>	<u>2,342,420</u>
Excess (deficiency) of receipts over (under) disbursements . . . . .	<u>(11,191)</u>	<u>80,828</u>	<u>(35,647)</u>	<u>20,699</u>	<u>54,689</u>
<b>Other financing sources (uses)</b>					
Transfers in . . . . .	597	-	-	5,040	5,637
Transfers (out) . . . . .	(5,040)	-	-	(597)	(5,637)
Advances in . . . . .	56,200	-	33,000	30,700	119,900
Advances (out) . . . . .	(63,700)	-	(28,000)	(28,200)	(119,900)
Total other financing sources (uses) . . . . .	<u>(11,943)</u>	<u>-</u>	<u>5,000</u>	<u>6,943</u>	<u>-</u>
Net change in fund balances . . . . .	(23,134)	80,828	(30,647)	27,642	54,689
Fund balances at beginning of year . . . . .	51,901	522,383	53,663	155,615	783,562
Fund balances at end of year . . . . .	<u>\$ 28,767</u>	<u>\$ 603,211</u>	<u>\$ 23,016</u>	<u>\$ 183,257</u>	<u>\$ 838,251</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN 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 Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and other local taxes . . . . .	\$ 450,781	\$ 450,781	\$ 455,026	\$ 4,245
Licenses and permits . . . . .	12,875	12,875	14,142	1,267
Fees . . . . .	341,375	341,375	280,139	(61,236)
Contractual services . . . . .	101,068	101,068	94,679	(6,389)
Intergovernmental . . . . .	70,695	70,695	70,804	109
Miscellaneous . . . . .	4,500	4,500	8,296	3,796
Total receipts . . . . .	<u>981,294</u>	<u>981,294</u>	<u>923,086</u>	<u>(58,208)</u>
<b>Disbursements</b>				
Current:				
Administration . . . . .	<u>1,019,342</u>	<u>1,011,350</u>	<u>956,221</u>	<u>55,129</u>
Excess of disbursements over receipts . . . . .	<u>(38,048)</u>	<u>(30,056)</u>	<u>(33,135)</u>	<u>(3,079)</u>
<b>Other financing sources (uses)</b>				
Transfers in . . . . .	-	-	597	597
Transfers out . . . . .	-	(5,040)	(5,040)	-
Advances in . . . . .	-	-	56,200	56,200
Advances (out). . . . .	<u>-</u>	<u>-</u>	<u>(63,700)</u>	<u>(63,700)</u>
Total other financing sources (uses). . . . .	<u>-</u>	<u>(5,040)</u>	<u>(11,943)</u>	<u>(6,903)</u>
Net change in fund balance . . . . .	(38,048)	(35,096)	(45,078)	(9,982)
Fund balance at beginning of year. . . . .	32,362	32,362	32,362	-
Prior year encumbrances appropriated. . . . .	<u>19,539</u>	<u>19,539</u>	<u>19,539</u>	<u>-</u>
Fund balance at end of year. . . . .	<u>\$ 13,853</u>	<u>\$ 16,805</u>	<u>\$ 6,823</u>	<u>\$ (9,982)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Fees . . . . .	\$ 675,000	\$ 502,918	\$ 485,012	\$ (17,906)
Miscellaneous . . . . .	-	216	565	349
Total receipts. . . . .	<u>675,000</u>	<u>503,134</u>	<u>485,577</u>	<u>(17,557)</u>
<b>Disbursements</b>				
Current:				
Environmental health:				
Construction and demolition services . . . . .	834,593	752,281	751,145	1,136
Net change in fund balance . . . . .	(159,593)	(249,147)	(265,568)	(16,421)
Fund balance at beginning of year . . . . .	405,406	405,406	405,406	-
Prior year encumbrances appropriated. . . . .	<u>116,977</u>	<u>116,977</u>	<u>116,977</u>	-
Fund balance at end of year . . . . .	<u>\$ 362,790</u>	<u>\$ 273,236</u>	<u>\$ 256,815</u>	<u>\$ (16,421)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH  
SENECA COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental . . . . .	\$ 256,069	\$ 323,287	\$ 323,080	\$ (207)
Miscellaneous . . . . .	-	2,316	4,152	1,836
Total receipts . . . . .	<u>256,069</u>	<u>325,603</u>	<u>327,232</u>	<u>1,629</u>
<b>Disbursements</b>				
Current:				
Community health services:				
Women, infants, and children . . . . .	294,270	379,257	363,661	15,596
Excess of disbursements over receipts . . . . .	<u>(38,201)</u>	<u>(53,654)</u>	<u>(36,429)</u>	<u>17,225</u>
<b>Other financing sources (uses)</b>				
Advances in . . . . .	-	-	33,000	33,000
Advances (out) . . . . .	-	-	(28,000)	(28,000)
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net change in fund balance . . . . .	(38,201)	(53,654)	(31,429)	22,225
Fund balance at beginning of year . . . . .	53,245	53,245	53,245	-
Prior year encumbrances appropriated . . . . .	418	418	418	-
Fund balance at end of year . . . . .	<u>\$ 15,462</u>	<u>\$ 9</u>	<u>\$ 22,234</u>	<u>\$ 22,225</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**This page intentionally left blank.**

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**NOTE 1 - REPORTING ENTITY**

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

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District’s services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, certification of birth and death records, Women, Infant, and Children (“WIC”) nutritional education, and emergency response planning.

The Seneca County Auditor acts as fiscal agent for the District and the Seneca County Treasurer acts as custodian of all funds.

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

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization, or (4) the District is obligated for the debt of the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District and organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District’s basic financial statements to be misleading or incomplete. The District has no component units.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District’s accounting policies.

**A. Basis of Presentation**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Government-Wide Financial Statements

The statement of net position – cash basis and the statement of activities – cash basis display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

Fund Financial Statements

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

**B. Fund Accounting**

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

Governmental Funds

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

*General fund* - the General fund is used to account for and report 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.

*Construction and demolition debris fund* - the Construction and Demolition Debris fund is used to account for and report financial resources that are restricted for a particular purpose. This fund receives receipts from the landfill at a rate of \$1.60 per ton collected by the landfill. The District retains \$.40 per ton collected and the remaining receipts are disbursed to the Environmental Protection Agency, Department of Natural Resources, Loudon Township, and the Seneca County Commissioners.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

WIC grant fund - the WIC grant fund receives receipts from the Ohio Department of Health that are restricted for services to improve the health and nutrition status and prevent health problems among at-risk women, infants and children.

The other governmental funds of the District account for grants and other resources that are restricted or committed for a particular purpose.

**C. Basis of Accounting**

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

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements.

**D. Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are indentified by the District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

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

**E. Cash and Investments**

In accordance with Ohio Revised Code, the District's cash is held and invested by the Seneca County Treasurer, who acts as custodian for the District's monies. The District's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount. Individual fund integrity is maintained through District records.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**F. Accumulated Leave**

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

**G. Employer Contributions to Cost-Sharing Pension Plans**

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

**H. Net Position**

Net position is reported as restricted to the extent of limitations imposed on its use, either through enabling legislation or 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 a disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

**I. Fund Cash 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 classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The District had no nonspendable balance at December 31, 2014.

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

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 District. Those committed amounts cannot be used for any other purpose unless the District 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 the general fund, assigned amounts include those approved through the District's formal purchasing procedure and those required for subsequent year appropriations.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District had \$6,823 in unassigned balance at December 31, 2014.

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

**J. Interfund Transactions**

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

The District records advances in and advances out as interfund loans; however, these items are not reported as assets and liabilities in the accompanying financial statements. See Note 6 for detail on advances made between funds during 2014.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For 2014, the District has implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the District.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While the District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison schedule presented for the general fund and the major special revenue funds are presented 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 disbursements (budgetary-basis) rather than assigned, committed or restricted fund balance (cash-basis).

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements:

	Fund Balance		
	General	Construction and Demolition Debris	WIC Grant
Cash basis	\$ (23,134)	\$ 80,828	\$ (30,647)
Adjustment for encumbrances	(21,944)	(346,396)	(782)
Budgetary basis	\$ (45,078)	\$ (265,568)	\$ (31,429)

**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2014 represent the collection of 2013 taxes. Real property taxes received in 2013 were levied after October 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. The first payment is due on December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real property taxes collected for 2014 were levied after October 1, 2013, on the assessed values determined as of December 31, 2013, the lien date. These taxes will be collected in and are intended to finance 2015 operations. Public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described earlier.

The full tax rate for all District operations for the year ended December 31, 2014, was \$0.30 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2014 property tax receipts were based are as follows:

Real property	\$ 971,417,460	94.10%
Public utility personal property	60,929,440	5.90%
Total assessed valuation	\$ 1,032,346,900	100.00%

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 6 - INTERFUND TRANSACTIONS**

**A. Advances**

Interfund advances for the year ended December 31, 2014, consisted of the following, as reported on the fund statements:

Advances to the general fund from:

WIC grant fund	\$ 28,000
Nonmajor governmental fund	28,200

Advances from the general fund to:

WIC grant fund	33,000
Nonmajor governmental fund	<u>30,700</u>

Total	<u><u>\$ 119,900</u></u>
-------	--------------------------

The primary purpose of the interfund advances is to cover costs in specific funds where revenues were not received by December 31. These interfund advances are also made to repay advances made in the prior fiscal year from the general fund.

Interfund advances between governmental funds are eliminated on the government-wide financial statements.

**B. Transfers**

Interfund transfers for the year ended December 31, 2014, consisted of the following, as reported on the fund statements:

Transfer to the general fund from:

Nonmajor governmental funds	\$ 597
-----------------------------	--------

Transfer from general fund to:

Nonmajor governmental fund	<u>5,040</u>
----------------------------	--------------

Total	<u><u>\$ 5,637</u></u>
-------	------------------------

Transfers from the nonmajor governmental funds to the general fund resulted from residual equity transfers made during the year and a transfer to reallocate resources not restricted or committed to be properly recorded in the general fund.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 7 - RISK MANAGEMENT**

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

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

The District belongs to the Public Entities Pool of Ohio (“PEP”), a risk-sharing pool available to local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts.

The aforementioned casualty and property reinsurance agreements do not discharge PEP’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government. Property and casualty settlements did not exceed insurance coverage for the past three fiscal years, and the District has not had a significant reduction in coverage from the prior year.

Financial Position

PEP’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2013 and 2012 (the latest information available):

<u>Casualty &amp; Property Coverage</u>	<u>2013</u>	<u>2012</u>
Assets	\$ 34,411,883	\$ 34,389,569
Liabilities	<u>(12,760,194)</u>	<u>(14,208,353)</u>
Retained earnings	<u>\$ 21,651,689</u>	<u>\$ 20,181,216</u>

At December 31, 2013 and 2012 (the latest information available), respectively, casualty coverage liabilities noted above include approximately \$11.6 million and \$13.1 million of estimated incurred claims payable, respectively. Assets and retained earnings also include approximately \$11.1 million and \$12.6 million of unpaid claims to be billed to approximately 475 member political subdivisions in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District’s share of these unpaid claims collectible in future years is approximately \$8,638.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 7 - RISK MANAGEMENT - (Continued)**

2012	\$ 12,157
2013	12,363
2014	8,526

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

**NOTE 8 - DEFINED BENEFIT PENSION PLAN**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10.00% for members. The District's contribution rate for 2014 was 14.00% of covered payroll.

The District's contribution rate for pension benefits for members in the Traditional Plan and Combined Plan for 2014 was 12.00%. 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 \$134,728, \$146,643, and \$116,657, respectively; 100% has been contributed for 2014, 2013 and 2012. Contributions to the Member-Directed Plan for 2014 were \$2,984 made by the District and \$2,131 made by the plan members.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 9 - POSTRETIREMENT BENEFITS**

Plan Description - 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 the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2014 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$22,463, \$11,280, and \$46,475, respectively; 100% has been contributed for 2014, 2013 and 2012.

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 State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

**NOTE 10 - CONTINGENT GRANTS**

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 11 - COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

Fund:	Year-End Encumbrances
General fund	\$ 21,944
Construction and demolition debris fund	346,396
WIC grant fund	782
Nonmajor governmental funds	<u>28,680</u>
Total	<u>\$ 397,802</u>

**This page intentionally left blank.**



# Dave Yost • Auditor of State

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

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

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 Seneca County District Board of Health, Seneca 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 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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

April 2, 2015



# Dave Yost • Auditor of State

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**SENECA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 16, 2015**