



OHIO AUDITOR OF STATE
KEITH FABER



**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY
DECEMBER 31, 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Seneca County District Board of Health
Seneca County
71 South Washington Street
Suite 1102
Tiffin, Ohio 44883-2359

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying cash-basis 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, 2019, 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 such 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, 2019, and the respective changes in cash financial position and the respective budgetary comparison for the General and Construction and Demolition Debris 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.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to management's discussion and analysis as listed in the table of contents. 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 August 3, 2020, 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.



Keith Faber
Auditor of State

Columbus, Ohio

August 3, 2020

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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, 2019, 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 2019 are as follows:

- The District's net position increased \$331,052 or 12.72% 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 84.59% 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 15.41%.
- The District's disbursements increased by \$561,961 from the prior year. This increase is primarily related to a 65.02% and 26.46% increase in disbursements for sewage and construction and demolition services, respectively.

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**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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 2019, 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 and the Construction and Demolition Debris 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**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)
(Continued)

The District as a Whole

Table 1 provides a summary of the District's net position cash basis at December 31, 2019 compared to December 31, 2018.

**Table 1
Net Position - Cash Basis**

	Governmental Activities	
	2019	2018
Assets		
Equity in pooled cash and cash equivalents	\$ 2,934,559	\$ 2,603,507
Net Position		
Restricted for:		
Environmental health	\$ 2,383,288	\$ 2,085,670
Community health services	110,800	89,085
Unrestricted	440,471	428,752
Total Net Position	\$ 2,934,559	\$ 2,603,507

The District's net position increased \$331,052 from 2018 due to program receipts of \$3,856,599 and general receipts of \$702,552 exceeding current year disbursements of \$4,228,099.

In 2019, 15.41% of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 84.59% of the District's total receipts in 2019. These receipts consist primarily of charges for services for construction and demolition services, 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 30.96% of the District's total disbursements for 2019. These costs represent the costs to administer all programs not supported by special receipts. Construction and demolition debris disbursements accounted for 47.83% of 2019 total disbursements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)
(Continued)

Table 2 reflects the change in net position on a cash basis in 2019 as compared to 2018:

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

	Governmental Activities	
	2019	2018
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 3,293,906	\$ 3,202,628
Operating grants and contributions	562,693	566,334
Total program cash receipts	<u>3,856,599</u>	<u>3,768,962</u>
General receipts:		
Property taxes and other local taxes		
Levied for general Health District purposes	559,416	538,125
Grants and entitlements not restricted		
to specific programs	31,272	27,749
Donations	309	2,212
Miscellaneous	111,555	44,251
Total general receipts	<u>702,552</u>	<u>612,337</u>
Total Receipts	<u>4,559,151</u>	<u>4,381,299</u>
Disbursements		
Environmental health:		
Trailer park	17,428	21,740
Swimming pool	6,307	6,345
Food service	112,036	115,709
Water system	15,095	23,011
Solid waste	90,668	86,886
Nuisance	2,709	1,912
Radon	2,202	285
Sewage	241,718	146,477
Construction and demolition debris	2,022,103	1,599,066
Community health services:		
Women, infants, and children	293,853	266,798
Senior services	6,270	6,162
Get vaccinated Ohio - PH initiative	13,057	-
Integrated naloxone access and infrastructure	15,761	-
Public health infrastructure	66,742	71,289
Child and family health services	38	20,546
Homemaker	-	37,128
Smoking cessation program	13,202	19,026
Administration	1,308,910	1,243,758
Total Disbursements	<u>4,228,099</u>	<u>3,666,138</u>
Change in net position	331,052	715,161
Net position at beginning of year	<u>2,603,507</u>	<u>1,888,346</u>
Net position at end of year	<u>\$ 2,934,559</u>	<u>\$ 2,603,507</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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 59.37%, 9.67%, and 30.96% 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 2019 and 2018 is presented in Table 3, below.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Environmental health:				
Trailer park	\$ 17,428	\$ 1,584	\$ 21,740	\$ (3,779)
Swimming pool	6,307	(1,173)	6,345	(1,060)
Food service	112,036	(10,638)	115,709	(3,409)
Water system	15,095	(4,195)	23,011	2,426
Solid waste	90,668	(14,553)	86,886	(18,626)
Nuisance	2,709	623	1,912	790
Radon	2,202	(798)	285	285
Sewage	241,718	40,058	146,477	(31,861)
Construction and demolition services	2,022,103	(141,403)	1,599,066	(562,100)
Community health services:				
Women, infants, and children	293,853	(1,685)	266,798	(6,563)
Senior services	6,270	1,172	6,162	1,171
Get vaccinated Ohio - PH initiative	13,057	1,318	-	-
Integrated naloxone access and infrastructure	15,761	(14,239)	-	-
Public health infrastructure	66,742	754	71,289	(22,706)
Child and family health services	38	38	20,546	1,237
Homemaker	-	-	37,128	10,332
Smoking cessation program	13,202	(5,022)	19,026	(3,346)
Administration	1,308,910	519,659	1,243,758	534,385
Totals	<u>\$ 4,228,099</u>	<u>\$ 371,500</u>	<u>\$ 3,666,138</u>	<u>\$ (102,824)</u>

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. The District's costs were fully supported by program revenues and supplemented through property taxes, unrestricted grants and other general receipts for 2019.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)
(Continued)

The District's Funds

Total governmental funds had receipts and other financing sources of \$4,716,057 and disbursements and other financing uses of \$4,385,005.

The General fund is the chief operating fund of the District. Receipts and other financing sources exceeded disbursements and other financing uses in the General fund by \$11,719 in 2019. Property and other local taxes, fees, and contractual services receipts represented 40.11%, 43.10% and 12.63%, respectively, of total receipts of \$1,394,723 for 2019. The General fund had \$1,308,910 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 \$2,163,506 represent an increase of 0.11% from 2018. Correspondingly, disbursements for construction and demolition services increased 26.46% as compared to 2018.

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 2019, the District amended its budget several times. The General fund's final budgeted receipts and other financing sources of \$1,456,736 were \$161,652 more than original budgeted receipts. Actual receipts and other financing sources were \$1,425,490, \$31,246 less than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$1,517,806 were \$44,210 less than final appropriated expenditures and other financing uses of \$1,562,016.

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**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2019

	Governmental Activities
Assets	
Equity in pooled cash and cash equivalents	\$ 2,934,559
Net position	
Restricted for:	
Environmental health	\$ 2,383,288
Community health services	110,800
Unrestricted.	440,471
Total net position	\$ 2,934,559

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Governmental activities:				
Environmental health:				
Trailer park	\$ 17,428	\$ 15,844	\$ -	\$ (1,584)
Swimming pool	6,307	7,480	-	1,173
Food service	112,036	122,674	-	10,638
Water system	15,095	19,290	-	4,195
Solid waste	90,668	70,000	35,221	14,553
Nuisance	2,709	2,086	-	(623)
Radon	2,202	3,000	-	798
Sewage	241,718	95,677	105,983	(40,058)
Construction and demolition services	2,022,103	2,163,506	-	141,403
Community health services:				
Women, infants, and children	293,853	-	295,538	1,685
Senior services	6,270	5,098	-	(1,172)
Get vaccinated Ohio - PH initiative	13,057	-	11,739	(1,318)
Integrated naloxone access and infrastructure	15,761	-	30,000	14,239
Public health infrastructure	66,742	-	65,988	(754)
Child and family health services	38	-	-	(38)
Smoking cessation program	13,202	-	18,224	5,022
Administration	1,308,910	789,251	-	(519,659)
Total governmental activities	\$ 4,228,099	\$ 3,293,906	\$ 562,693	(371,500)
General Receipts:				
Property taxes and other local taxes				
levied for general health district purposes				559,416
Grants and entitlements not restricted to specific programs				31,272
Donations				309
Miscellaneous				111,555
Total general receipts				702,552
Change in net position				331,052
Net position at beginning of year				2,603,507
Net position at end of year				\$ 2,934,559

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in pooled cash and cash equivalents	\$ 440,471	\$ 2,043,283	\$ 450,805	\$ 2,934,559
Fund Balances				
Restricted:				
Environmental health:				
Trailer park	\$ -	\$ -	\$ 13,573	\$ 13,573
Swimming pool	-	-	3,608	3,608
Food service	-	-	73,134	73,134
Water system	-	-	9,533	9,533
Solid waste	-	-	50,504	50,504
Radon	-	-	438	438
Nuisance	-	-	19,253	19,253
Sewage	-	-	169,962	169,962
Construction and demolition debris	-	2,043,283	-	2,043,283
Community health services:				
Women, infants, and children	-	-	31,879	31,879
Senior services	-	-	2,583	2,583
Get vaccinated Ohio - PH initiative	-	-	8,682	8,682
Integrated naloxone access and infrastructure	-	-	23,165	23,165
Public health infrastructure	-	-	27,718	27,718
Homemaker	-	-	8,256	8,256
Smoking cessation program	-	-	8,517	8,517
Committed:				
Termination benefits	17,576	-	-	17,576
Assigned:				
Administration	93,399	-	-	93,399
Subsequent year appropriations	147,706	-	-	147,706
Unassigned	181,790	-	-	181,790
Total fund balances	<u>\$ 440,471</u>	<u>\$ 2,043,283</u>	<u>\$ 450,805</u>	<u>\$ 2,934,559</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Construction and Demolition Debris	Nonmajor Governmental Funds	Total Governmental Funds
Receipts				
Property and other local taxes	\$ 559,416	\$ -	\$ -	\$ 559,416
Licenses and permits	11,958	-	265,134	277,092
Fees	601,123	2,163,506	55,267	2,819,896
Contractual services	176,170	-	20,748	196,918
Intergovernmental	31,272	-	562,693	593,965
Private grants and donations	-	-	309	309
Miscellaneous	14,784	64,389	32,382	111,555
Total receipts	<u>1,394,723</u>	<u>2,227,895</u>	<u>936,533</u>	<u>4,559,151</u>
Disbursements				
Current:				
Environmental health:				
Trailer park	-	-	17,428	17,428
Swimming pool	-	-	6,307	6,307
Food service	-	-	112,036	112,036
Water system	-	-	15,095	15,095
Solid waste	-	-	90,668	90,668
Nuisance	-	-	2,709	2,709
Radon	-	-	2,202	2,202
Sewage	-	-	241,718	241,718
Construction and demolition services	-	2,022,103	-	2,022,103
Community health services:				
Women, infants, and children	-	-	293,853	293,853
Senior services	-	-	6,270	6,270
Get vaccinated Ohio - PH initiative	-	-	13,057	13,057
Integrated naloxone access and infrastructure	-	-	15,761	15,761
Public health infrastructure	-	-	66,742	66,742
Child and family health services	-	-	38	38
Smoking cessation program	-	-	13,202	13,202
Administration	1,308,910	-	-	1,308,910
Total disbursements	<u>1,308,910</u>	<u>2,022,103</u>	<u>897,086</u>	<u>4,228,099</u>
Excess of receipts over disbursements	<u>85,813</u>	<u>205,792</u>	<u>39,447</u>	<u>331,052</u>
Other financing sources (uses)				
Transfers in	12,906	-	-	12,906
Transfers (out)	-	-	(12,906)	(12,906)
Advances in	28,500	-	115,500	144,000
Advances (out)	(115,500)	-	(28,500)	(144,000)
Total other financing sources (uses)	<u>(74,094)</u>	<u>-</u>	<u>74,094</u>	<u>-</u>
Net change in fund balances	11,719	205,792	113,541	331,052
Fund balances at beginning of year	428,752	1,837,491	337,264	2,603,507
Fund balances at end of year	<u>\$ 440,471</u>	<u>\$ 2,043,283</u>	<u>\$ 450,805</u>	<u>\$ 2,934,559</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and other local taxes	\$ 538,126	\$ 559,417	\$ 559,416	\$ (1)
Licenses and permits	13,010	12,512	11,958	(554)
Fees	543,850	614,039	601,123	(12,916)
Contractual services	163,750	172,942	176,170	3,228
Intergovernmental	27,748	31,325	31,272	(53)
Miscellaneous	8,600	8,001	14,761	6,760
Total receipts	<u>1,295,084</u>	<u>1,398,236</u>	<u>1,394,700</u>	<u>(3,536)</u>
Disbursements				
Current:				
Administration	1,466,928	1,445,866	1,402,306	43,560
Excess of disbursements over receipts	<u>(171,844)</u>	<u>(47,630)</u>	<u>(7,606)</u>	<u>40,024</u>
Other financing sources (uses)				
Transfers in	-	-	2,290	2,290
Advances in	-	58,500	28,500	(30,000)
Advances out	-	(116,150)	(115,500)	650
Total other financing sources (uses)	<u>-</u>	<u>(57,650)</u>	<u>(84,710)</u>	<u>(27,060)</u>
Net change in fund balance	<u>(171,844)</u>	<u>(105,280)</u>	<u>(92,316)</u>	<u>12,964</u>
Fund balance at beginning of year	320,383	320,383	320,383	-
Prior year encumbrances appropriated	101,429	101,429	101,429	-
Fund balance at end of year	<u>\$ 249,968</u>	<u>\$ 316,532</u>	<u>\$ 329,496</u>	<u>\$ 12,964</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fees	\$ 1,900,000	\$ 2,091,269	\$ 2,163,506	\$ 72,237
Miscellaneous	10	63,663	64,389	726
Total receipts.	<u>1,900,010</u>	<u>2,154,932</u>	<u>2,227,895</u>	<u>72,963</u>
Disbursements				
Current:				
Environmental health:				
Construction and demolition services	<u>2,017,811</u>	<u>2,698,885</u>	<u>2,512,469</u>	<u>186,416</u>
Net change in fund balance	(117,801)	(543,953)	(284,574)	259,379
Fund balance at beginning of year	1,532,191	1,532,191	1,532,191	-
Prior year encumbrances appropriated.	<u>305,300</u>	<u>305,300</u>	<u>305,300</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,719,690</u>	<u>\$ 1,293,538</u>	<u>\$ 1,552,917</u>	<u>\$ 259,379</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - REPORTING ENTITY

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

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, certification of birth and death records, Women, Infant, 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, 2019
(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.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

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 identified by the District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

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

E. Cash and Investments

In accordance with 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.

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 other postemployment benefits (OPEB).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

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, 2019.

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.

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 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

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.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2019, the District has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84 "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90 "Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. The District reviewed its fiduciary funds to determine the appropriate classification under GASB Statement No. 84. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

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
Cash basis	\$ 440,471	\$ 2,043,283
Adjustment for encumbrances	(93,399)	(490,366)
Funds budgeted elsewhere	(17,576)	-
Budgetary basis	\$ 329,496	\$ 1,552,917

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 2019 represent the collection of 2018 taxes. Real property taxes received in 2019 were levied after October 1, 2018, on the assessed values as of January 1, 2018, 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 2019 were levied after October 1, 2018, on the assessed values determined as of December 31, 2018, the lien date. These taxes will be collected in and are intended to finance 2020 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, 2019, was \$0.30 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2019 property tax receipts were based are as follows:

Real property	\$ 1,050,741,640	86.16%
Public utility personal property	168,835,630	13.84%
Total assessed valuation	\$ 1,219,577,270	100.00%

NOTE 6 - INTERFUND TRANSACTIONS

A. Advances

Interfund advances for the year ended December 31, 2019, consisted of the following, as reported on the fund statements:

**SENECA COUNTY DISTRICT BOARD OF HEALTH
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

<u>Advances to the General fund from:</u>	
Nonmajor governmental funds	\$ 28,500
<u>Advances from the General fund to:</u>	
Nonmajor governmental funds	<u>115,500</u>
Total	<u><u>\$ 144,000</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, 2019, consisted of the following, as reported on the fund statements:

<u>Transfer to the General fund from:</u>	
Nonmajor governmental funds	<u><u>\$ 12,906</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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

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 (the Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2019
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

NOTE 8 - DEFINED BENEFIT PENSION PLANS

Plan Description- Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees participate 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 and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

The District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$152,501 for 2019.

Social Security

Some of the District's board members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

NOTE 9 - POSTRETIREMENT BENEFIT PLANS

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-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 trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care 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 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contributions to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2019, OPERS did not allocate any employer contributions to post-employment health care.

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.

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	\$ 93,399
Construction and demolition debris fund	490,366
Nonmajor governmental funds	<u>177,682</u>
Total	<u>\$ 761,447</u>

NOTE 12 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under Enterprise Zone Agreements (EZAs) and the Ohio Community Reinvestment Area (CRA) program with the taxing districts of the District. The EZAs and CRA program are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Tiffin, Hopewell Township and the City of Fostoria have entered into such agreements. Under these agreements, the District's property taxes were reduced by \$2,070. The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

NOTE 13 - SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



**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 1102
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 cash-basis 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 3, 2020, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

August 3, 2020

OHIO AUDITOR OF STATE KEITH FABER



SENECA COUNTY DISTRICT BOARD OF HEALTH

SENECA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/20/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov