



Dave Yost • Auditor of State



**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Health:

### ***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 Clermont County General Health District, Clermont 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 accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Clermont County General Health District, Clermont County, Ohio, as of December 31, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Food Service, PHS Block Grant, Bioterrorism Grant, WIC Administration, and Sewage Program Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

The Schedule of Federal Award Receipts and Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 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

September 1, 2015

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**Clermont County General Health District**  
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Management's Discussion and Analysis  
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Unaudited

The discussion and analysis of the General Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Health District's financial performance.

### **Financial Highlights**

Key financial highlights for the year 2014 are as follows:

- The assets of the Health District exceeded its liabilities at the close of the year ended December 31, 2014, by \$1,777,654 (net position).
- The Health District's total net position increased by \$236,361 which represents a 15.3% increase from 2013.
- At the end of 2014, the Health District's governmental funds reported a combined ending fund balance of \$1,620,340. Of this amount, \$924,118 is available for spending (unassigned fund balance) on behalf of Clermont County citizens.
- At the end of the 2014 fiscal year, the unassigned fund balance for the general fund was \$943,245 or 73.4% of total general fund expenditures.

### **Using the Basic Financial Statements**

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

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

### **Reporting the Health District as a Whole**

#### **Statement of Net Position and the Statement of Activities**

While this document contains information about the funds used by the Health District to provide services to our citizens, the view of the Health District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector

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companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

#### **Fund Financial Statements**

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

Based on restrictions on the use of monies, the Health District has established many funds which account for the multitude of services provided. However, these fund financial statements focus on the Health District's most significant funds. In the case of the Clermont County Health District, the major funds are the General, Food Service, PHHS Block Grant, Bioterrorism Grant, WIC Administration, and Sewage Program. The analysis of the Health District's major funds begins on page 8.

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

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

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

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*Notes to the Financial Statements:* The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Health District, assets exceeded liabilities by \$1,777,654 as of December 31, 2014.

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

Table 1  
**Net Position**  
(In Thousands)

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current & Other Assets	\$1,759.7	\$1,469.4
Capital Assets, Net	251.6	294.7
<i>Total Assets</i>	<u>2,011.3</u>	<u>1,764.1</u>
<b>Liabilities</b>		
Current & Other Liabilities	94.9	66.7
Long-Term Liabilities		
Due Within One Year	68.0	72.4
Due in More Than One Year	70.7	83.8
<i>Total Liabilities</i>	<u>233.6</u>	<u>222.9</u>
<b>Net Position</b>		
Net Investment in Capital Assets	251.6	294.7
Restricted:	668.3	616.4
Unrestricted	857.8	630.1
<i>Total Net Position</i>	<u>\$1,777.7</u>	<u>\$1,541.2</u>

The Health District's Current Assets increased approximately \$290,300 due to increases in grant funding in 2014, increases in funding from the Cities Readiness Initiative Contract and Hike Bike Trail Grant funds that were received in 2014 to be expended in 2015. Capital Assets decreased approximately \$43,100 due to depreciation of furniture, fixtures and equipment. Current liabilities increased approximately \$28,200 due to an increase in accrued wages, benefits. Long-term liabilities decreased approximately \$17,500 due to compensated absences.

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Table 2 provides a summary of the changes in net position for 2014 compared to 2013.

Table 2  
**Changes in Net Position**  
(In Thousands)

	<u>2014</u>	Governmental Activities <u>2013</u>
Program Revenues:		
Charges for Services	\$1,482.5	\$1,462.0
Operating Grants and Contributions	1,767.6	1,208.9
Capital Grants and Contributions	0	0
<i>Total Revenues</i>	<u>3,250.1</u>	<u>2,670.9</u>
Program Expenses		
Health:		
Environmental Health	1,164.4	1,099.4
Community Health Services	934.5	915.0
Health Promotion and Planning	181.0	168.5
Administration	733.7	791.3
<i>Total Expenses</i>	<u>3,013.6</u>	<u>2,974.2</u>
<i>Increase/Decrease in Net Position</i>	<u>236.5</u>	<u>(\$303.3)</u>

*Governmental Activities*

The Health District's governmental activities include Environmental Health, Community Health Services, Health Promotion and Planning and Administration. Overall expenses increased by \$39,400 and revenues increased by \$579,200. The increase in expenses is largely the result of staffing changes and increased benefit costs. Operating grants and contributions increase by \$558,700. Increases and decreases occur from year to year based on timing of receipt of grant payments and changes with all grants moving to a reimbursement basis.

Major programs in Environmental Health include Food Service, Solid Waste, Private Water, Private Sewage, Swimming Pool, and Plumbing Inspections. Expenses for Environmental Health increased by \$65,000 in 2014 compared to 2013. This was due to staffing changes and increased benefits costs.

Community Health Services includes the Bureau for Children with Medical Handicaps Program which provides diagnostic and treatment programs that link families with providers and the Tuberculosis Program, providing Tuberculosis skin testing and case management, Injury Prevention Program, working to reduce the number of injuries related to prescription drug overdoses and Women, Infants and Children (WIC) whose goal is to improve the nutritional status of mothers, infants, and children during critical stages of growth and development. Expenses for Community Health Services increased by \$19,500 in 2014 compared to 2013. This was due to increasing the number of BCMH staff.

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The major program in Health Promotion and Planning is the Bioterrorism (Public Health Emergency Preparedness) Program which ensures public health is ready and able to respond to major emergencies or terrorism events. Health Promotion and Planning expenses increased by \$12,500 in 2014 compared to 2013. This increase is the result of an increase in grant funding.

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

The Health District's strategy to secure the maximum amount of grants and contracts that are provided by the state and federal governments continues to be productive. Grants include Bioterrorism (Public Health Emergency Preparedness), Immunization, Preventive Health – Injury Prevention, and Women, Infants, and Children (WIC). The Health District also holds contracts with City of Cincinnati Health Department for Cities Readiness Initiative, the Clermont County Board of Commissioners for the Tuberculosis program, the Ohio Manufactured Home Commission for inspections, and the SmokeFree Ohio Workplace program.

### **Financial Analysis of the Health District's Funds**

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

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

As of the end of the current fiscal year, the Health District's governmental funds reported combined ending fund balances of \$1,620,340. Of this amount, \$924,118 constitutes unassigned fund balance, which is available for spending. The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending (\$696,222). The General Fund is the chief operating fund of the Health District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$943,245. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 73.4% of the total general fund expenditures.

Revenues exceeded expenditures in the General Fund by \$162,017 in 2014. Intergovernmental accounts for 52.4% of revenues in the General Fund. This consists of money from the townships, villages, and the City of Milford. Administration accounts for the majority, \$794,160, of expenditures in the General Fund.

The WIC Administration Special Revenue Fund accounts for federal grant monies for the Women, Infants and Children (WIC) program. WIC is a program for pregnant women, women who recently

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**Clermont County**  
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For the Year Ended December 31, 2014

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had a baby, breastfeeding moms, infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. Starting with the Fiscal Year 2014 Grant, the funding of the grant was on a reimbursement basis. Money was advanced from the General Fund to begin the new grant year for WIC.

The Bioterrorism Special Revenue Fund accounts for federal grant monies for public health infrastructure and emergency planning efforts. The program is responsible for developing the Health District's Emergency Operation Plan, all supporting documents, and training and exercise programs. Planning and preparedness are collaborative efforts done on a local level with involvement of key partners in Clermont County as well as regional partners. At the end of the 2014 fiscal year the ending fund balance was \$18,914.

The Sewage Program Special Revenue Fund accounts for permits and licenses for the onsite Sewage Program. The program is responsible for reviewing private sewage treatment system applications, issuing permits for installation and conducting inspections of the installation. The program also conducts basic system assessments of existing private sewage systems to ensure compliance with local and state laws. At the end of the current fiscal year the ending fund balance was \$229,425.

The Food Service Special Revenue Fund accounts for licenses for the Food Service Program. The program is responsible for licensing and inspecting food service operations to ensure safety and sanitation regulations are being followed. At the end of 2014 the ending fund balance was \$179,071.

PHHS Block Grant Fund accounts for grant funds received from Ohio Department of Health to be used to reduce the number of injuries related to prescription drug overdoses. Funding of this grant is on a reimbursement basis. Money was advanced from the General Fund to be able to cover the timing of when expenses were paid and the grant was received.

### **General Fund Budgeting Highlights**

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

During the course of 2014, the Health District amended its general fund budget several times, All recommendations for the budget were reviewed by the Clermont County Board of Health for adoption on the change. With the General Fund supporting many of our major activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending. Expenditures are typically increased as needed to cover unanticipated costs. There were additional appropriations in the General Fund budget in 2014 in the amount of \$221,218 for cash advances to restricted grant funds.

**Clermont County General Health District**  
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**Capital Assets**

The Health District's investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$251,553 (net of accumulated depreciation). This investment in capital assets includes vehicles, furniture, and equipment.

Note 4 (Capital Assets) provides capital asset activity during 2014.

Major capital asset events during the current year included the purchase of two vehicles.

**Economic Factors and 2014 Budget**

Clermont County experienced a downturn in residential growth starting in 2006 which has continued through 2014. This correlates to a decrease in the number of permits and licenses. The Health District maintains a conservative approach to spending while maximizing its revenues. Current economic indicators show that the economy should remain at its current pace. The Health District has taken steps to compensate for the decrease in revenues as a result of down turned growth by evaluating staffing positions as they become vacant and evaluating programs and services. The Health District's portion of state-based program revenue will be affected by the fiscal year 2015 State budget bill. The Health District anticipates a similar amount of state based funding for 2015.

All of these factors were considered in the preparation of the Health District's 2016 budget. The Health District has decreased its 2016 budget by 2.44% in an attempt to continue providing public health services with the revenue projection based on current economic factors.

**Requests for Information**

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

**Clermont County General Health District**  
**Clermont County**  
Statement of Net Position  
December 31, 2014

	Governmental Activities
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,690,905
Intergovernmental Receivable	68,836
Furniture, Fixtures, and Equipment	837,669
Accumulated Depreciation	(586,116)
<i>Total assets</i>	2,011,294
<b>LIABILITIES</b>	
Accounts Payable	19,389
Accrued Wages and Benefits	69,051
Matured Compensated Absences Payable	6,452
<i>Long-Term Liabilities:</i>	
Due Within One Year	68,003
Due in More Than One Year	70,744
<i>Total liabilities</i>	233,639
<b>NET POSITION</b>	
Net investment in capital assets	251,553
Restricted for:	
Community Health	109,485
Environmental Health	523,884
Grants	34,953
Unrestricted	857,779
<i>Total net position</i>	\$ 1,777,654

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



**Clermont County General Health District**  
**Clermont County**  
Statement of Activities  
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Primary government:</b>				
<i>Governmental activities:</i>				
Environmental Health	\$ 1,164,416	\$ 1,369,234	\$ 66,246	\$ 271,064
Community Health Services	934,593	85,931	773,637	(75,025)
Health Promotion and Planning	181,017	0	179,721	(1,296)
Administration	733,684	27,317	747,985	41,618
<i>Total governmental activities</i>	<b>\$ 3,013,710</b>	<b>\$ 1,482,482</b>	<b>\$ 1,767,589</b>	<b>236,361</b>
				1,541,293
				<b>\$ 1,777,654</b>

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

**Clermont County General Health District**  
**Clermont County**  
Balance Sheet  
Governmental Funds  
December 31, 2014

	<u>General Fund</u>	<u>Food Service</u>	<u>PHHS Block Grant</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 742,969	\$ 185,454	\$ 12,598
Interfund Receivable	244,547	0	0
Intergovernmental Receivable	0	0	21,374
<i>Total assets</i>	<u>\$ 987,516</u>	<u>\$ 185,454</u>	<u>\$ 33,972</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,094	\$ 371	\$ 1,303
Accrued Wages and Benefits	35,527	6,012	1,166
Interfund Payable	0	0	19,500
Deferred Revenue	0	0	21,374
Matured Compensated Absences Payable	6,452	0	0
<i>Total liabilities</i>	<u>43,073</u>	<u>6,383</u>	<u>43,343</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted for Grants	0	0	0
Restricted for Environmental Health	0	179,071	0
Restricted for Community Health	0	0	0
Assigned for Encumbrances	1,198	0	0
Unassigned	943,245	0	(9,371)
<i>Total fund balances (deficits)</i>	<u>944,443</u>	<u>179,071</u>	<u>(9,371)</u>
<i>Total liabilities and fund balances (deficits)</i>	<u>\$ 987,516</u>	<u>\$ 185,454</u>	<u>\$ 33,972</u>

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

Bioterrorism Grant	WIC Administration	Sewage Program	Total Nonmajor Funds	Total Governmental Funds
\$ 45,263	\$ 163,241	\$ 240,147	\$ 301,233	\$ 1,690,905
0	0	0	0	244,547
19,587	18,020	0	9,855	68,836
<u>\$ 64,850</u>	<u>\$ 181,261</u>	<u>\$ 240,147</u>	<u>\$ 311,088</u>	<u>\$ 2,004,288</u>
\$ 0	\$ 872	\$ 4,271	\$ 11,478	\$ 19,389
2,890	12,125	6,452	4,879	69,051
43,047	160,000	0	22,000	244,547
0	18,020	0	5,115	44,509
0	0	0	0	6,452
<u>45,937</u>	<u>191,017</u>	<u>10,723</u>	<u>43,472</u>	<u>383,948</u>
18,913	0	0	16,040	34,953
0	0	229,424	113,599	522,094
0	0	0	137,977	137,977
0	0	0	0	1,198
0	(9,756)	0	0	924,118
<u>18,913</u>	<u>(9,756)</u>	<u>229,424</u>	<u>267,616</u>	<u>1,620,340</u>
<u>\$ 64,850</u>	<u>\$ 181,261</u>	<u>\$ 240,147</u>	<u>\$ 311,088</u>	<u>\$ 2,004,288</u>

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**Clermont County General Health District  
 Reconciliation of Balance Sheet  
 To the Statement of Net Position  
 December 31, 2014**

**Fund balances of governmental funds** \$ 1,620,340

*Amounts reported for governmental activities in the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 251,553

Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds.  
 Intergovernmental Revenues 44,509

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.  
 Compensated Absences (138,748)

Net position of governmental activities \$ 1,777,654

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

**Clermont County General Health District**  
**Clermont County**

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended December 31, 2014

	<u>General Fund</u>	<u>Food Service</u>	<u>PHHS Block Grant</u>
<b>REVENUES</b>			
Taxes	\$ 403	\$ 0	\$ 0
Charges for Services	305,303	0	0
Licenses and Permits	310,105	321,840	0
Intergovernmental	758,232	0	39,999
Other Revenue	73,158	0	0
<i>Total revenues</i>	<u>1,447,201</u>	<u>321,840</u>	<u>39,999</u>
<b>EXPENDITURES</b>			
<i>Current:</i>			
Environmental Health	491,024	299,422	0
Community Health Services	0	0	56,346
Health Promotion and Planning	0	0	0
Administration	794,162	0	0
<i>Total expenditures</i>	<u>1,285,186</u>	<u>299,422</u>	<u>56,346</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>162,015</u>	<u>22,418</u>	<u>(16,347)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	0	0	0
Transfers Out	(124)	0	0
Proceeds from the Sale of Capital Assets	3,441	0	0
<i>Total other financing sources (uses)</i>	<u>3,317</u>	<u>0</u>	<u>0</u>
<i>Net change in fund balances</i>	165,332	22,418	(16,347)
Fund balances - beginning	779,110	156,653	6,976
<i>Fund balances - ending</i>	<u>\$ 944,442</u>	<u>\$ 179,071</u>	<u>\$ (9,371)</u>

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

Bioterrorism Grant	WIC Administration	Sewage Program	Total Nonmajor Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 403
0	0	3,525	80,759	389,587
0	0	354,228	81,516	1,067,689
179,721	563,359	0	125,770	1,667,081
0	0	13	7,631	80,802
<u>179,721</u>	<u>563,359</u>	<u>357,766</u>	<u>295,676</u>	<u>3,205,562</u>
0	0	309,511	66,248	1,166,205
0	578,891	0	233,740	868,977
162,042	0	0	0	162,042
0	0	0	0	794,162
<u>162,042</u>	<u>578,891</u>	<u>309,511</u>	<u>299,988</u>	<u>2,991,386</u>
<u>17,679</u>	<u>(15,532)</u>	<u>48,255</u>	<u>(4,312)</u>	<u>214,176</u>
0	0	0	124	124
0	0	0	0	(124)
0	0	0	0	3,441
<u>0</u>	<u>0</u>	<u>0</u>	<u>124</u>	<u>3,441</u>
17,679	(15,532)	48,255	(4,188)	217,617
1,235	5,776	181,170	271,803	1,402,723
<u>\$ 18,914</u>	<u>\$ (9,756)</u>	<u>\$ 229,425</u>	<u>\$ 267,615</u>	<u>\$ 1,620,340</u>

**Clermont County General Health District  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balances to the Statement of Activities  
 For the Year Ended December 31, 2014**

**Net change in fund balances - total governmental funds** **\$ 217,617**

*Amounts reported for governmental activities in the statement of net position are different because:*

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

Capital Outlay	38,942
Depreciation expense	(82,122)

Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues and are unavailable in the governmental funds. 44,509

Compensated Absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 17,415

Change in net position of governmental activities	<b>\$ 236,361</b>
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The notes to financial statements are an integral part of this statement.



**Clermont County General Health District**  
**Clermont County**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2014*

**General Fund**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 403	\$ 403
Charges for services	233,591	233,591	305,303	71,712
Licenses and permits	293,700	293,700	310,105	16,405
Intergovernmental	766,062	747,984	758,232	10,248
Other revenues	15,000	112,562	73,157	(39,405)
<b>Total revenues</b>	<u>1,308,353</u>	<u>1,387,837</u>	<u>1,447,200</u>	<u>59,363</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Administration	793,663	793,379	794,116	(737)
Environmental health	392,187	612,584	472,620	139,964
<b>Total expenditures</b>	<u>1,185,850</u>	<u>1,405,963</u>	<u>1,266,736</u>	<u>139,227</u>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<u>122,503</u>	<u>(18,126)</u>	<u>180,464</u>	<u>198,590</u>
<b>Other financing sources (uses):</b>				
Advances in	0	0	24,876	24,876
Advances (out)	(123,700)	(123,700)	(123,656)	44
Proceeds from the sale of capital assets	0	0	3,441	3,441
<b>Total other financing sources (uses)</b>	<u>(123,700)</u>	<u>(123,700)</u>	<u>(95,339)</u>	<u>28,361</u>
<b>Net Change in Fund Balance</b>	(1,197)	(141,826)	85,125	226,951
Fund balance at beginning of year	655,454	655,454	655,454	0
Prior year encumbrances appropriated	1,198	1,198	1,198	0
<b>Fund balance at end of year</b>	<u>\$ 655,455</u>	<u>\$ 514,826</u>	<u>\$ 741,777</u>	<u>\$ 226,951</u>

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

**Clermont County General Health District**  
**Clermont County**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2014*

**Food Service Special Revenue Fund**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Positive (Negative)</u>
Revenues:				
Licenses and permits	\$ 332,913	\$ 332,913	\$ 321,840	\$ (11,073)
Total revenues	<u>332,913</u>	<u>332,913</u>	<u>321,840</u>	<u>(11,073)</u>
Expenditures:				
Current:				
Environmental Health	<u>332,913</u>	<u>332,913</u>	<u>300,501</u>	<u>32,412</u>
Total expenditures	<u>332,913</u>	<u>332,913</u>	<u>300,501</u>	<u>32,412</u>
Net Change in Fund Balance	0	0	21,339	21,339
Fund balance at beginning of year	<u>164,114</u>	<u>164,114</u>	<u>164,114</u>	<u>0</u>
Fund balance at end of year	<u>\$ 164,114</u>	<u>\$ 164,114</u>	<u>\$ 185,453</u>	<u>\$ 21,339</u>

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

**Clermont County General Health District**  
**Clermont County**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2014*

**PHHS Block Grant Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 39,999	\$ (25,001)
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>39,999</u>	<u>(25,001)</u>
Expenditures:				
Current:				
Community health services	65,000	74,000	57,310	16,690
Total expenditures	<u>65,000</u>	<u>74,000</u>	<u>57,310</u>	<u>16,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>(9,000)</u>	<u>(17,311)</u>	<u>(8,311)</u>
Other financing sources (uses):				
Advances in	0	0	10,609	10,609
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>10,609</u>	<u>10,609</u>
Net Change in Fund Balance	0	(9,000)	(6,702)	2,298
Fund balance at beginning of year	<u>19,300</u>	<u>19,300</u>	<u>19,300</u>	<u>0</u>
Fund balance at end of year	<u>\$ 19,300</u>	<u>\$ 10,300</u>	<u>\$ 12,598</u>	<u>\$ 2,298</u>

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

**Clermont County General Health District**  
**Clermont County**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2014*

***Bioterrorism Grant Special Revenue Fund***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 133,450	\$ 133,450	\$ 160,134	\$ 26,684
Total revenues	<u>133,450</u>	<u>133,450</u>	<u>160,134</u>	<u>26,684</u>
Expenditures:				
Current:				
Health planning and promotion	133,450	163,639	162,025	1,614
Total expenditures	<u>133,450</u>	<u>163,639</u>	<u>162,025</u>	<u>1,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>(30,189)</u>	<u>(1,891)</u>	<u>28,298</u>
Other financing sources (uses):				
Advances in	<u>0</u>	<u>0</u>	<u>13,047</u>	<u>13,047</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>13,047</u>	<u>13,047</u>
Net Change in Fund Balance	0	(30,189)	11,156	41,345
Fund balance at beginning of year	<u>34,108</u>	<u>34,108</u>	<u>34,108</u>	<u>0</u>
Fund balance at end of year	<u>\$ 34,108</u>	<u>\$ 3,919</u>	<u>\$ 45,264</u>	<u>\$ 41,345</u>

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

**Clermont County General Health District**  
**Clermont County**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2014*

**WIC Administration Special Revenue Fund**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 585,750	\$ 585,750	\$ 563,359	\$ (22,391)
Total revenues	<u>585,750</u>	<u>585,750</u>	<u>563,359</u>	<u>(22,391)</u>
Expenditures:				
Current:				
Community health services	585,950	585,750	579,298	6,452
Total expenditures	<u>585,950</u>	<u>585,750</u>	<u>579,298</u>	<u>6,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(200)</u>	<u>0</u>	<u>(15,939)</u>	<u>(15,939)</u>
Other financing (uses):				
Advances in	0	0	100,000	100,000
Total other financing (uses)	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Net Change in Fund Balance	(200)	0	84,061	84,061
Fund balance at beginning of year	<u>78,206</u>	<u>78,206</u>	<u>78,206</u>	<u>0</u>
Fund balance at end of year	<u>\$ 78,006</u>	<u>\$ 78,206</u>	<u>\$ 162,267</u>	<u>\$ 84,061</u>

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

**Clermont County General Health District**  
**Clermont County**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2014*

**Sewage Program Special Revenue Fund**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Positive (Negative)</u>
Revenues:				
Licenses and permits	\$ 294,500	\$ 294,500	\$ 354,228	\$ 59,728
Other revenue	0	0	3,538	3,538
Total revenues	<u>294,500</u>	<u>294,500</u>	<u>357,766</u>	<u>63,266</u>
Expenditures:				
Current:				
Environmental Health	<u>294,500</u>	<u>308,000</u>	<u>306,947</u>	<u>1,053</u>
Total expenditures	<u>294,500</u>	<u>308,000</u>	<u>306,947</u>	<u>1,053</u>
Net Change in Fund Balance	0	(13,500)	50,819	64,319
Fund balance at beginning of year	<u>189,025</u>	<u>189,025</u>	<u>189,025</u>	<u>0</u>
Fund balance at end of year	<u>\$ 189,025</u>	<u>\$ 175,525</u>	<u>\$ 239,844</u>	<u>\$ 64,319</u>

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 1 – Reporting Entity**

A five-member Board of Health, four of who are appointed by the District Advisory Council and one appointed by the Licensing Council, governs the Health District. The Board appoints a health commissioner and all employees of the Health District. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits and emergency response planning.

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

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

**Note 2 - Summary of Significant Accounting Policies**

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through payments from townships and villages, intergovernmental receipts or other non-exchange transactions.

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

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

**Fund Financial Statements**

During the year, the Health District segregates transactions related to certain Health District functions or activities in separate funds in order to aid financial management and to

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 2 - Summary of Significant Accounting Policies** (continued)

demonstrate legal compliance. Fund financial statements are designed to present financial information of the Health District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. Fund Accounting**

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

**Governmental Funds**

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

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

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

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

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

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

*PHHS Block Grant Special Revenue Fund*- The PHHS Block Grant Special Revenue Fund accounts for federal grant monies for the Injury Prevention program.

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



**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 2 - Summary of Significant Accounting Policies** (continued)

Proprietary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues-Exchange and Non-Exchange Transactions

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

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 2 - Summary of Significant Accounting Policies** (continued)

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

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

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

**Deferred Revenue**

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

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

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

**Expenses/Expenditures**

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

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

**E. Budgetary Process**

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 2 - Summary of Significant Accounting Policies** (continued)

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

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

**F. Cash and Investments**

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Clermont County Auditor, Linda L. Fraley, 101 E Main St. 2nd Floor, Batavia, Ohio 45103, [www.clermontauditor.org](http://www.clermontauditor.org), (513) 732-7150.

**G. Capital Assets**

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

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

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

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**H. Interfund Transactions**

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

**I. Compensated Absences**

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

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

**J. Accrued Liabilities and Long-Term Obligations**

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

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

**K. Net Position**

Net Position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the Board of Health or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Net position restricted for other purposes are restricted by grantors and regulations of other governments.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**L. Fund Balance**

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

**Nonspendable:** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

**Committed:** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the Board for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or by State Statute.

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 2 - Summary of Significant Accounting Policies** (continued)

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

**M. Interfund Transactions**

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

**N. Estimates**

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

**Note 3 – Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Advances in and advances out are operating transactions (Budget) as opposed to balance sheets transactions (GAAP).
4. Transfers out is adjusted on the operating transactions (GAAP) when it is reclassified from an advance to a transfer.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

**Note 3 – Budgetary Basis of Accounting** (continued)

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

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

	General	Food Service	PHHS Block
GAAP Basis	\$165,334	\$22,418	(\$16,347)
Net Adjustment for Revenue Accruals	(1)	0	0
Net Adjustment for Expense Accruals	18,448	(1,079)	(12,915)
Net Adjustment for Advances	(98,780)	0	10,609
Net Adjustments for Transfers	124	0	0
Budget Basis	\$85,125	\$21,339	\$(18,653)

  

	Bioterrorism	WIC Administration	Sewage Program
GAAP Basis	\$17,679	(\$15,532)	\$48,255
Net Adjustment for Revenue Accruals	(19,587)	0	0
Net Adjustment for Expense Accruals	17	(407)	2,564
Net Adjustment for Advances	13,047	100,000	0
Net Adjustments for Transfers	0	0	0
Budget Basis	\$11,156	\$84,061	\$50,819

**Note 4 - Capital Assets**

Capital asset activity for the year ended December 31, 2014 was as follows:

	12/31/2013	Additions	Reductions	12/31/2014
<b>Governmental Activities</b>				
Capital Assets being depreciated:				
Furniture, Fixtures, and Equipment	843,416	38,941	(44,688)	837,669
Total Capital Assets at Historical cost being depreciated	843,416	38,941	(44,688)	837,669
Less Accumulated Depreciation:				
Furniture, Fixtures, and Equipment	(548,683)	(82,121)	44,688	(586,116)
Total Accumulated Depreciation	(548,683)	(82,121)	44,688	(586,116)
Governmental Activities Capital Assets, Net	294,733	(43,180)	-----	251,553

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

**Note 4 - Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

Environmental Health	\$7,401
Community Health Services	63,793
Health Promotion and Planning	7,048
Administration	3,879
Total Depreciation Expense - Governmental Activities	\$82,121

**Note 5 – Interfund Receivables/Payables**

Individual fund interfund assets/liabilities balances as of December 31, 2014 related to the primary government were as follows:

	Receivable	Payable
General	\$244,547	
Bioterrorism Grant		\$43,047
WIC Administration		160,000
PHHS Block Grant		19,500
Nonmajor Governmental Funds		22,000
TOTAL	\$244,547	\$244,547

**Note 6 – Amendments to Original Appropriations Budget**

Amendments beyond the object level must be approved by the Board of Health. In 2014, the original appropriation measure was increased and decreased by the Board with the net effect as follows: General Fund \$221,218.00 and Special Revenue Funds \$82,195.

**Note 7 - Risk Management**

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

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

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.



**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

**Note 7 - Risk Management** (continued)

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2013, PEP retained \$350,000 for casualty claims and \$100,000 for property claims. American Risk Pooling Consultants, Inc.

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

Financial Position

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

	<u>2012</u>	<u>2013</u>
Assets	\$34,389,569	\$34,411,883
Liabilities	(14,208,353)	(12,760,194)
Net Position	<u>\$20,181,216</u>	<u>\$21,651,689</u>

At December 31, 2012 and 2013, respectively, the liabilities above include approximately \$13.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$11.1 million of unpaid claims to be billed to approximately 475 member governments in the future, as of December 31, 2012 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the District's share of these unpaid claims collectible in future years is approximately \$19,000.

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

<u>Contributions to PEP</u>	
2012	\$22,562
2013	\$21,980
2014	\$20,950

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 7 - Risk Management** (continued)

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 Plans**

**Ohio Public Employees Retirement System**

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

- The Traditional Pension Plan - a cost sharing multiple-employer defined benefit pension plan;
- The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings.
- The Combined Plan - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. The employee contribution rate for 2014 was 10.0% for employees. The 2014 employer contribution rate was 14.0% of covered payroll. The District's contributions to PERS for the years ended December 31, 2014, 2013 and 2012 were \$255,220; \$258,833; and \$281,891 respectively, 100% has been contributed for the above years, respectively.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 9 - Postemployment Benefits**

**Ohio Public Employees Retirement System**

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

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

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

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The 2014 employer contribution rate was 14.0% of covered payroll for employees. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for employees. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2% during calendar year 2014. The District's actual contributions for 2014 which were used to fund OPEB were \$36,445 for employees. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS Actuary. The OPERS Retirement Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2014

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**Note 10 – Other Employee Benefits**

Health District employees have the option of participating in three state-wide deferred compensation plans created in accordance with the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time. According to this plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) must be held in a trust, custodial account, or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Deferred amounts from the plan are not considered “made available” just because a trust, custodial account or annuity contract holds these amounts. The Plan Agreement states that the County and the plan administrators have no liability for losses under the plan with the exception of fraud or wrongful taking.

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Long-Term Liabilities**

Long-term obligations of the Health District at December 31, 2014 were as follows:

	<u>Balance</u> <u>12/31/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2014</u>	<u>Amounts Due</u> <u>in One Year</u>
Compensated Absences	\$156,162	\$54,974	\$72,389	\$138,747	\$68,003

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

**Note 13 – Fund Deficits**

The PHHS Block Grant Special Revenue Fund and the WIC Administration Special Revenue Fund had a deficit fund balance at December 31, 2014, of \$9,371 and \$9,756, respectively. The deficit of these funds is due to adjustments for advances made to the funds.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**  
Schedule of Federal Awards Receipts and Expenditures  
For the Year Ended December 31, 2014

Federal Grantor/ <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
<b><u>U.S. Department of Health And Human Services</u></b>				
<i>Passed Through Ohio Department of Health</i>				
Preventive Health and Health Services Block Grant - Injury Prevention	01310014IP0613	93.991	\$ ---	\$8,937
Preventive Health and Health Services Block Grant - Injury Prevention	01310014IP0714	93.991	39,999	48,373
Immunization Grants	01310012IM0613	93.268	6,237	1,983
Immunization Grants	01310012IM0714	93.268	36,463	46,332
Public Health Emergency Preparedness Grant	01310012PH0514	93.069	96,098	100,745
Public Health Emergency Preparedness Grant	01310012PH0615	93.069	<u>64,036</u>	<u>61,280</u>
<b>Total U.S. Department of Health And Human Services</b>			<b><u>242,834</u></b>	<b><u>267,649</u></b>
<b><u>U.S. Department of Agriculture</u></b>				
<i>Passed Through Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program)	01310011WA0714	10.557	436,207	454,227
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program)	01310011WA0815	10.557	<u>127,152</u>	<u>124,097</u>
<b>Total Department of Agriculture</b>			<b><u>563,359</u></b>	<b><u>578,324</u></b>
<b>Total Federal Awards Receipts and Expenditures</b>			<b><u>\$806,192</u></b>	<b><u>\$ 845,973</u></b>

*The accompanying notes to this schedule are an integral part of this schedule*

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

Notes to the Schedule of Federal Awards Receipts and Expenditures  
For the Year Ended December 31, 2014

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Clermont County General Health District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**NOTE C – MEDICAID ADMINISTRATIVE CLAIMING ADJUSTMENTS**

During the calendar year, the District received a deferred payment from the Ohio Department of Health (ODH) for the Medicaid Program (CFDA#93.778) in the amount of \$38,149.25. The deferred payment was for Medicaid administrative claiming (MAC) expenses of the District incurred in prior reporting periods due to federal funding received by ODH to reimburse these expenses and also due to changes in the District's Medicaid Eligibility Rate (MER) for certain activity codes within MAC. This revenue is not listed on the District's Schedule of Federal Awards since the underlying expenses are on a cost-reimbursement basis and occurred in prior reporting periods.



# Dave Yost • Auditor of State

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

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

To the Board of Health:

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 Clermont County General Health District, Clermont County, (the District) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 1, 2015.

### ***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 opinion 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, flowing style.

**Dave Yost**  
Auditor of State

Columbus, Ohio

September 1, 2015





# Dave Yost • Auditor of State

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

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

To the Board of Health:

### ***Report on Compliance for the Major Federal Program***

We have audited the Clermont County General Health District, Clermont County, Ohio's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Clermont County General Health District's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

### ***Opinion on the Major Federal Program***

In our opinion, the Clermont County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

***Report on Internal Control Over Compliance***

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

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

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

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



**Dave Yost**  
Auditor of State

Columbus, Ohio

September 1, 2015

**CLERMONT COUNTY GENERAL HEALTH DISTRICT  
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2014**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

**CLERMONT COUNTY GENERAL HEALTH DISTRICT**

**CLERMONT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 29, 2015**